

Natus Terms and Conditions of Sale of Goods and Services

1. General. For purposes of these Terms and Conditions of Sale of Goods and Services, Natus means Natus Medical Incorporated and all of its wholly-owned subsidiaries. Unless Natus has a separate written agreement with Customer or with Customer's designated Group Purchasing Organization, these Terms and Conditions of Sale of Goods and Services, the separate Natus Software License Agreement ("NSLA"), if applicable, any applicable Service Agreement and associated service contract and related schedules constitute the entire agreement between Natus and Customer. Any additional or different terms, including but not limited to those on Customer's purchase order or other forms, are hereby objected to by Natus. Natus' failure to object to provisions contained in any communication from the Customer shall not be deemed an acceptance of such provisions or a waiver of the terms and conditions contained herein. Any changes in the terms and conditions contained herein must specifically be agreed to in writing by a duly authorized officer of Natus before becoming binding upon Natus. In the event Natus and Customer have executed and entered into a corporate account contract covering Customer's purchase of the goods, the terms and conditions contained in such agreement shall take precedence over those herein.

2. Prices and Taxes. Prices for goods and services purchased under this Agreement are in U.S. dollars, unless otherwise noted. Irrespective of any prices quoted by Natus or listed in Customer's order, an order is accepted only at the prices shown on the face of this form. Prices quoted for the terms described on the face of this form are firm and not subject to re-determination. Prices do not include and Customer acknowledges and agrees that it shall be responsible for any other amount including without limitation fees for export, customs duties, tariffs, special packaging, transportation, insurance and all federal, state and local charges, sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Any such amount including taxes, fees or charges imposed by any governmental authority on, or measured by, the transaction between Natus and Customer will be paid by Customer in addition to the price specified herein. In the event that Natus is required to pay any amount in addition to the prices on the face of this form, Customer will reimburse Natus therefore, including costs for any interest or penalty that may be due to any taxing authority. If Customer is exempt from any such amount, Customer must provide Natus with a valid exemption.

Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

3. Terms and Method of Payment. Provided that Customer establishes and maintains open account credit to Natus' satisfaction and within credit limits established by Natus, the invoiced amount shall be due and payable in full 30 days after the invoice date. Accounts outstanding for more than 30 days will be subject to a monthly service charge at the rate of 1.5% per month or the maximum amount permitted by applicable law, whichever is less. At Natus' sole discretion, Natus may terminate a Customer's open account credit at any time without advance notice to Customer whether for Customer's failure to pay for any products or services when due or for any other reason deemed good or sufficient by Natus, and in such event all subsequent shipments and services shall be paid for on receipt. For any products requiring final assembly or installation by Natus, if such assembly or installation is delayed by more than 30 days after delivery of the products for any reason for which Customer is responsible, Natus will bill Customer for and Customer will pay Natus any remaining payments due under this agreement. If Customer has a good faith dispute regarding payment for a particular product or service, such dispute shall not entitle Customer to withhold payment for any other product or service purchased from Natus. Prices for upgrades and revisions assume that Customer returns the replaced component and transfers title to Natus at no charge to Natus.

4. Late Payment. Failure to make timely payment is a material breach of this agreement, for which (in addition to other available remedies) Natus may suspend performance under any or all Natus agreements until all past due amounts are brought current. If Natus so suspends, Natus will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment (if applicable). Customer will reimburse Natus for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits that may be due to Customer under an agreement may be applied first to any outstanding balance. If, after product delivery, Customer does not make any payments for the products within 45 days after such payments are due, Natus may, upon 10 days prior written notice to Customer, either (a) enter upon Customer's site and remove the products or (b) temporarily disable the products so that they are not operational.

5. Title, Shipment, Delivery and Risk of Loss. For domestic deliveries, all deliveries are F.O.B. Origin. For international deliveries, all deliveries are Ex Works point of shipment (Incoterms 2010) or as may otherwise be set forth in the applicable sales contract. For all deliveries, risk of loss and title to the goods ordered will pass to Customer upon delivery of the goods by Natus to the carrier. Natus shall arrange for and select the method and route of shipment. Unless otherwise specified, the goods will be shipped in standard commercial packaging. When special or export packaging is requested, or in the opinion of Natus, required under the circumstances, the costs of such packaging, if not set forth on the invoice, will be separately invoiced. Natus reserves the right to make partial deliveries and to ship as product becomes available. Natus will use its reasonable commercial efforts to meet estimated delivery times, but Natus shall not be responsible for any amount, loss, damage, penalty or liability suffered by Customer as a result of delay in or failure to deliver the goods.

6. Acceptance and Returns. Product shall be deemed accepted upon delivery to the carrier unless it is shipped in error and Natus shall not accept return of any product unless the product is shipped in error. In such cases, the customer must contact Natus Customer Service at 1-800-303-0306 within ten (10) business days after delivery to receive a return authorization number and to arrange return shipment to Natus at Natus' expense. The return authorization number must be clearly written on each box or return label. Product must be returned prior to use or installation in its original packaging.

7. Warranties. Product warranties (if applicable) for products purchased hereunder are subject to a limited product warranty that, if applicable, accompanies the goods and is available at www.natus.com and is incorporated into this agreement by reference.

For Services provided under this Agreement, Natus warrants that such services will be performed by trained individuals in a professional, workman-like manner. Natus will promptly re-perform any

non-conforming services for no charge as long as Customer provides reasonably prompt written notice to Natus. The foregoing service remedy, together with any remedy provided in the applicable Natus product warranty forms delivered with this agreement, are Customer's sole and exclusive remedies (and Natus' sole and exclusive liability) for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as Natus remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim.

NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY.

Natus may use refurbished parts in new products as long as it uses the same quality control procedures and warranties as for new products. Any part for which Natus has supplied a replacement shall become Natus property.

8. Limitation of Liability. NOTWITHSTANDING THE FOREGOING, NATUS' LIABILITY ARISING OUT OF OR RELATED TO (I) ANY GOODS PURCHASED UNDER THIS AGREEMENT; AND (II) SERVICES PROVIDED UNDER THIS AGREEMENT AND/OR SALE SHALL BE LIMITED TO REFUND OF THE PURCHASE PRICE OF SUCH GOODS OR SERVICES. IN NO EVENT SHALL NATUS BE LIABLE FOR LOST USE, PROFITS, REVENUE, COST OF PROCUREMENT OF SUBSTITUTE GOODS, OR ANY OTHER SPECIAL, INDIRECT, RELIANCE, INCIDENTAL OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY. THE FOREGOING LIMITATIONS SHALL APPLY REGARDLESS OF WHETHER NATUS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY AND REGARDLESS OF WHETHER SUCH DAMAGES ARISE OUT OF THIRD-PARTY CLAIMS AGAINST CUSTOMER.

9. Software License. Natus grants to Customer a non-exclusive, non-transferable license to use for internal business only the Natus software, third-party software and associated documentation provided hereunder by Natus to Customer, subject to the license scope and other restrictions set forth in this agreement and the Natus Software License Agreement ("NSLA"). Customer may permit its employees, agents and independent contractors to use the software and associated documentation consistent with this agreement; provided, however, that Customer shall be responsible for any acts of its employees, agents and/or independent contractors which are inconsistent with this agreement. Customer may only use any third-party software provided by Natus together with the Natus software and will comply with all third-party software license terms. Without Natus' prior written consent, Customer may not: (i) copy, sublicense, distribute, rent, lease, loan, resell, modify or translate the software or create derivative works based thereon; (ii) directly or indirectly decompile, disassemble, reverse engineer or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the software; (iii) provide service bureau, time share or subscription services based on the software; or (iv) remove, obscure or modify any markings, labels or any notice of the proprietary rights, including copyright, patent and trademark notices of Natus or its licensors. Customer may make one copy of the software solely for backup purposes. Natus and its licensors, as applicable, retain all ownership and intellectual property rights to the software and documentation. If Customer acquires any rights to the software or documentation, Customer hereby assigns all of those rights to Natus or its licensors, as applicable. No license rights are granted (whether by implied license or otherwise), to Customer, except as specifically provided in this section. If Customer is a U.S. Government agency, Customer acknowledges that the software licensed under this agreement is a commercial item that has been developed at private expense and not under a Government contract. The Government's rights relating to the software are limited to those rights applicable to Customers as set forth herein and are binding on Government users in accordance with Federal Acquisition Regulation 48 C.F.R. Section 12.212 for non-defense agencies and/or Defense FAR Supplement 48 C.F.R. Section 227.7202-1 for defense agencies.

10. Bankruptcy. If Customer (i) becomes bankrupt or insolvent, (ii) compounds with its creditors, (iii) commences to be wound up, or (iv) suffers a receiver to be appointed, Natus will be at liberty by notice in writing to cancel this contract without judicial intervention or declaration of default by Customer and without prejudice to any right or remedy that may have accrued or may accrue thereafter.

11. General Indemnification. Natus will defend, indemnify and hold harmless Customer from any third party claims brought against Customer for infringement of intellectual property rights arising from Customer's use of the Natus manufactured equipment and/or Natus proprietary software purchased or licensed by Customer from Natus in accordance with their specifications and within the license scope granted in this agreement. If any such claim materially interferes with Customer's use of the Natus manufactured equipment and/or Natus proprietary software, Natus shall, at its option: (i) substitute functionally equivalent non-infringing products; (ii) modify the Natus product so that it no longer infringes but remains functionally equivalent; (iii) obtain for Customer at Natus' expense the right to continue to use the infringing Natus product; or (iv) if the foregoing are not commercially reasonable, refund to Customer the purchase price, as depreciated (based on five year's straight-line depreciation), for the Natus product that gave rise to the claim. Any such claims against Customer arising from Customer's use of the Natus manufactured equipment and/or proprietary software after Natus has notified Customer to discontinue use of such equipment and/or software and offered one of the remedies set forth in clauses (i) through (iv) above are the sole responsibility of Customer. This section represents Customer's sole and exclusive remedy (and Natus' sole and exclusive liability) regarding any claim of infringement associated with the Natus manufactured equipment and/or proprietary software and/or any use thereof. The above indemnification obligation is conditional upon Customer providing Natus prompt written notice of the third party infringement claim after receipt of notice of such claim, allowing Natus to control the defense and disposition of such claim, and reasonably cooperating with Natus in the defense. Natus shall not have any obligation to Customer hereunder: (a) for damages sought by a third party claimant based on or resulting from the amount of revenues or profits earned or other value obtained by the use of such Natus product, or the amount of use of such Natus product; or (b) for infringement claims based on or resulting from: (i) the use of such Natus product in combination with any computer software, tools, hardware, equipment, or any other materials, or any part thereof, or services, not furnished by Natus or authorized by Natus in its documentation; (ii) the use of such Natus product in a manner or environment, or for any purpose, for which Natus did not design or license it, or in violation of Natus' instructions on use; or (iii) any modification of such Natus product by Customer or any third party. Natus shall not be responsible for any compromise made by Customer or its agents without

Natus' consent. This indemnification obligation is expressly limited to the product purchased or licensed by Customer from Natus. In addition to any other limitations stated in this section, this section does not apply to Gold Seal Exchange Products.

12. Excusable Delays. If the performance of any obligation of Natus is prevented, restricted or interfered with by reason of any act or condition whatsoever beyond Natus' reasonable control (including without limitation, strike, fire, riot, war, rebellion, insurrection, acts of God, failure or shortage of transportation, materials or facilities, or governmental regulations), Natus upon giving prompt notice shall be excused from such performance to the extent of such prevention, restriction or interference.

13. Governing Law; Disputes; Limitation of Liability. THESE TERMS AND CONDITIONS ARE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT. Disputes (other than collection matters) arising under or relating to this agreement will be submitted to the American Arbitration Association ("AAA") office located closest to the largest metropolitan area of the state where the product is installed or the service is provided for binding arbitration in accordance with the AAA's Commercial Arbitration Rules. The cost of the arbitration, including the fees and expenses of the arbitrator, will be shared equally, with each party paying its own attorneys' fees.

The arbitrator will have the authority to award damages only to the extent otherwise available under this agreement. NATUS' (AND ITS REPRESENTATIVES') LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED: (A) FOR STAND-ALONE PRODUCT OR SERVICE OFFERINGS, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM.

The limitation of liability and exclusion of damages shall apply even if the limited remedies fail of their essential purpose.

None of the goods or underlying information or technology may be exported or re-exported, directly or indirectly, contrary to any law or export control.

14. Notification of Discount. Customer's price paid to Natus for goods or services hereunder, or Natus' provision of goods or services to Customer, particularly pursuant to any promotional Program or other discount, may constitute a "discount or other reduction in price" for purposes of the federal anti-kickback statute, 42 USC §1320a-7b(b). To the extent required by the statute or by the discount safe harbor regulations at 42 CFR §1001.952(g)-(h), a Customer hospital will be responsible for fully and accurately reporting in applicable cost reports and providing information upon request to Medicare, Medicaid and other federal health care programs on all discounts or other price reductions provided under this agreement. Consistent with the discount safe harbors, Natus will inform a Customer hospital of the price reduction of any items purchased or any free items it provides to a hospital as part of any similar program and also will inform a hospital of the price discounts related to the purchase of Natus products or services.

15. Confidentiality. Each party will treat the terms of this agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat Natus (and Natus' third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this agreement or as required by law (with reasonable prior notice to Natus). The receiving party shall have no obligations with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure.

16. Termination. If either party materially breaches this agreement and the other party seeks to terminate on the basis of that breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have 60 days following such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may, subject to the terms and conditions of this agreement and by written notice terminate this agreement. All orders are subject to (i) Natus' on-going credit review and approval and (ii) Natus' on-going determination that Customer and the proposed order or related service agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. Customer acknowledges that the products are or may be subject to regulation by the FDA and other federal or state agencies. Customer shall not use or permit the products to be used in any manner that does not comply with applicable FDA or other regulations or for any non-medical, entertainment, or amusement purposes. Further, Customer represents that it is purchasing the products for its own use consistent with the terms of this agreement and that it does not intend to re-sell the products to any other party or to export the products outside the country to which Natus delivers the products. If Natus determines in good faith at any time that there are legal or regulatory compliance and/or material credit issues with the order or related service agreement, Natus may terminate this agreement (including warranty services hereunder) immediately upon written notice to Customer.

17. Record Retention. If Section 1861(v)(1)(I) of the Social Security Act applies to this agreement, subsections (i) and (ii) of such Section are made a part hereof. If applicable, Natus will retain and make available, and insert the requisite clause in each applicable subcontract requiring its subcontractors to retain and make available, the contracts, books, documents and records to the persons, upon the requests, and for the periods of time as required by such subsections.

18. Cost Reporting. Customer will (i) fully and accurately account for, and report in any applicable cost reports or otherwise fully disclose to government program payors and accurately reflect where and as appropriate to the applicable reimbursement methodology, and (ii) provide information upon request by federal or state agencies concerning, all services and other items, including any discounts, received from Natus under this agreement in compliance with all applicable laws, including the federal Social Security Act and implementing regulations relating to Medicare, Medicaid, and other federal and state health care programs.

19. Customer Responsibilities. In order for Natus to perform its obligations under this agreement (including warranty obligations), Customer agrees to:

- Provide and maintain a suitable, safe and hazard-free location and environment for the Natus products and services in material compliance with any written requirements provided by Natus, perform Natus recommended routine maintenance and operator adjustments, ensure that any non-Natus provided service is performed by, and Natus products are used by, qualified personnel in accordance with applicable user documentation.
- Provide Natus prompt and unencumbered access to the products, network cabling and communication equipment as necessary to perform services. This access includes providing and maintaining connectivity to the products (modern line, internet connection, vpn persistent access, broadband internet connection, or other secure remote access reasonably requested by Natus) to permit Natus to perform support services and meet service levels, including remote diagnostic, monitoring and repair services. Natus may separately charge Customer for a scheduled service call where Customer does not provide such access and Natus is therefore required to schedule an additional service call.
- Promptly place service calls in accordance with any reasonable Natus protocols provided to Customer and designate a Customer representative and alternate as Natus' support contacts with the necessary skills to assist Natus in the diagnosis of service problems.

Establish and maintain security, virus protection, backup and disaster recovery plans for any data, images, software or equipment (Natus' services do not include recovery of lost data or images) according to Natus technical requirements. This responsibility includes maintaining secure network and network security components, firewalls and security-related hardware or software, preventing unauthorized access to the product and preventing interception of communications between Natus' service center and the product.

Obtain and maintain all licenses, permits, and other approvals necessary for installation, use, disposal, and recycling (each as applicable) of products provided under this agreement. During the term of this agreement, Customer will take all necessary and legally required precautions for the health and safety of Natus personnel who will perform any service at the Customer site, including, but not limited to, (i) instructing any Natus personnel who will be present at the Customer site about Customer's safety procedures and practices, (ii) providing Natus with current written information identifying all known existing hazardous materials (including wastes) on or near the Customer site that could affect the Natus personnel, (iii) taking all necessary and/or legally required actions to properly store, remove and/or remediate any safety conditions and hazardous materials so that Natus may safely perform its services, and (iv) maintaining a workplace and operating environment in accordance with Federal, State and/or local requirements. Natus shall have no obligation to perform services until Customer has complied with each of the items identified above.

Unless expressly provided otherwise, Customer is separately responsible for: (a) the repair, replacement or removal of any disposables, consumables, supplies, accessories or collateral equipment; (b) the provision of or payment for any applicable rigging or facility cost; and (c) any service necessitated by (i) Customer's or its representative's designs, specifications, or instructions, (ii) anything external to the products, including any causes or events beyond Natus' reasonable control, (iii) product misuse, (iv) combining any component of the products with any incompatible equipment or software, or (v) Customer's relocation, additions, or changes to the products, unless Natus has consented in writing to such relocations, additions or changes.

20. Installation. Natus installation services provided or identified in its Quotation will be performed in accordance with applicable Natus installation guides and project plans, if any, and otherwise subject to the following additional provisions. Customer agrees to review the applicable installation guides and project plans and perform its obligations set forth in those materials.

Customer will prepare the location for the installation consistent with Natus written specifications and applicable law. Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by Natus, unless agreed otherwise in writing by the parties. For products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible for ensuring that its hardware and software conform with Natus minimum hardware and software requirements as made available to Customer. Customer will be responsible for enabling the connectivity and interoperability between its Customer supplied hardware or software or other systems or devices and the Natus product, including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with Natus written specifications.

Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the products and that it otherwise meets Natus network configuration requirements (including requirements for preparation of Customer's site, remote interconnections and Internet Protocol address assignments) provided by Natus to Customer.

21. Customer Training and Product Integration. Unless otherwise agreed to by the parties, training of Customer staff or integration/installation of Products by Natus must be completed within 12 months after (i) the date of product delivery for training purchased with products and (ii) the start date for services for training or installation/integration purchased with services. If training or integration/installation is not completed within the applicable time period, Natus' obligation to provide the training or integration/installation will expire without refund.

22. Assignment; Use of Subcontractors. Neither party may assign any of its rights or obligations under this agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this agreement without the other party's consent to any person or entity (except to a Natus competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignees agree, in writing, to be bound by the terms of this agreement. Subject to such limitation, this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Natus may hire subcontractors to perform work under this agreement; provided, however, that Natus will at all times remain responsible for the performance of its obligations and duties under this agreement.

23. Medical Diagnosis and Treatment. Customer hereby acknowledges and agrees that all clinical and medical treatment and diagnostic decisions are the responsibility of Customer and its professional healthcare providers.

24. Amendment; Waiver; Survival. This agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration. Software license provisions applicable to perpetual software licenses fully paid for prior to termination shall survive termination of this agreement.

25. Contract Formation. Natus' Quotation is subject to withdrawal at any time before acceptance. Customer accepts by signing and returning the Quotation or by sending a purchase order in response to the Quotation. Upon Customer's acceptance, Natus' Quotation and the related terms and conditions referred to in the Quotation shall constitute the entire agreement relating to the products and services covered by the Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this agreement in making their decisions to enter into this agreement. No agreement or understanding, oral or written, in any way purporting to modify these terms and conditions or the Quotation, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding on Natus unless hereafter made in writing and signed by Natus' authorized representative. Customer is hereby notified of Natus' objection to any terms inconsistent with this Quotation and to any other terms proposed by Customer in accepting this Quotation. Neither Natus' subsequent lack of objection to any such terms, nor the delivery of the products or services, shall constitute an agreement by Natus to any such terms.