

## **NATUS MEDICAL INCORPORATED (“Natus” or the “Company”) SERVICE AGREEMENT TERMS AND CONDITIONS OF SUPPORT SERVICES**

### **1. EQUIPMENT INSPECTION**

Equipment covered under Support Services offered under this Agreement, if any, must be in safe, normal operating condition and substantially in compliance with Natus' specifications ("Operating Condition") when added to any Service Schedule (if not at time of purchase). Natus may inspect all equipment that has been without Natus warranty or service contract coverage for more than 30 days. This service agreement will be effective for such equipment only after a Natus service representative has determined its eligibility. If, after inspection, Natus determines an item of Equipment is not in Operating Condition, we will notify Customer within 30 days of the inspection, and Customer will be responsible for bringing that item of Equipment into Operating Condition. Natus will have no service responsibility with respect to Equipment that is not in Operating Condition when added to a Schedule.

### **2. INFLATION ADJUSTMENT**

After the first year of any Service Agreement, but no more than annually, Natus may adjust the service fees by an amount no more than the prior 12-month increase in the US Bureau of Labor Statistics (BLS) Employment Cost Index (ECI) for "Installation, Maintenance and Repair (not seasonally adjusted, total compensation)", or any replacement index as determined by the BLS. Natus will notify customer approximately 60 days prior to any adjustment. This adjustment shall be no more than 2% annually. The valid address for any such notification will be the same address that Natus sends agreement invoices.

### **3. POWER AND GROUNDING**

Customer is responsible for ensuring satisfactory power quality and grounding for all Equipment.

### **4. CUSTOMER RESPONSIBILITIES**

Prior to the commencement of any services hereunder, Customer shall provide to Natus (and those employees that will be working on Customer's site) a list of all chemicals or hazardous materials (e.g., asbestos, lead, mercury, etc.) located in or on Customer's site that Natus' employees may be exposed to and/or expected to handle and any associated Material Safety Data Sheets.

### **5. END OF SUPPORT ANNOUNCEMENT**

If Natus announces to its customers that it will no longer offer support ("end of product life") for a product or component, then upon at least 12 months' prior written notice to Customer, Natus may, at its option, remove any such item from all Natus service agreements, with an appropriate adjustment of charges, without otherwise affecting such agreements. Natus will use its reasonably diligent efforts to continue its support obligations under this service agreement for any product or component that is approaching its end of product life for as long as it is covered by this service agreement.

### **6. TERMINATION OF SERVICE PRIOR TO THE END OF TERM**

Customer is not permitted to terminate support services provided under this Agreement prior to the end of the term hereof other than as expressly provided pursuant to the termination provisions hereof. In the event Natus terminates this Agreement upon Customer material breach in accordance with the termination provisions hereof, then, in addition to any other charges or fees that may have accrued up to the date of such termination, Customer will immediately render payment to Natus in an amount equal to 50% of the Normal Fixed Charges due under the remaining term of this Agreement (from the date of such termination). Natus and Customer agree that this liquidated damages provision represents reasonable compensation for the loss that would be incurred by the Natus due to any such breach. Customer also agrees that nothing in this section is intended to limit Natus' other rights, remedies or relief at law or in equity as may be appropriate. For Services in following anniversary years of the Agreement Customer may terminate for convenience by providing no less than thirty (30) days' written notice prior to the anniversary year.

Notwithstanding the foregoing, should customer purchase replacement equipment covered under a valid support services agreement and otherwise subject to these terms and conditions of sale, Natus shall, in its sole discretion, terminate any support services agreement and waive the payment of Normal Fixed Charges noted above by providing Customer with a credit towards the purchase price of such replacement equipment equal to the amount of waived Normal Fixed Charges. To receive this waiver/replacement credit, Customer must reference the applicable support service agreement a by contract number and inform

Natus that Customer is eligible for the credit at the time of the order. Such a waiver/credit of termination fess may not be applied retroactively for orders placed outside the term of a valid support services agreement or except in conjunction with the terms of this Agreement.

## **7. SOLICITATION OF EMPLOYEES**

For the duration of this Agreement, and for 90 days after its expiration, the parties agree that neither party nor any of their controlled affiliates will directly or indirectly solicit for hire any employee of the other party or the other party's subsidiaries who is engaged in the performance of this Agreement. In the event of a breach of this provision, the breaching party agrees to pay the non-breaching party a sum equal to twelve (12) months' pay for each solicited employee at the rate the non-breaching party or its subsidiary paid the person during his or her last full month of employment with the non-breaching party or its subsidiary.

## **8. EXCLUSIONS**

In addition to the Customer Responsibilities listed in the Standard Terms and Conditions, this Agreement does not cover the following.

Excludes parts damaged through misuse. Peripherals such as electrodes, cartridges, disposable batteries, cables, flash disks, keyboards and other human interfaces devises are not covered by this agreement. All options exclude Persyst software assurance agreement. Connectivity support contract is remote support only. Coverage does not include modifications to the interface

In addition, this Agreement does not cover: (i) any defect or deficiency (including failure to confirm to Equipment Specifications and/or Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Equipment in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Equipment or beyond Natus' reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Equipment; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer, unless such coverage is provided by Natus as indicated on a Schedule; (iv) expendable supply items; and (v) stockpiling of replacement parts. For network and antenna installations not provided by Natus or its authorized agent(s), network and antenna system troubleshooting will be billable at Natus' standard service rates.

## **9. SOFTWARE UPDATES**

Operating software updates for Natus-manufactured equipment that revise or correct safety issues or enhance the productivity of system operations will be provided at no additional charge during the term of this Agreement for Flex & Advance coverage. Software upgrades that provide additional clinical procedures or applications will be made commercially available at standard applicable rates. Software updates and upgrades for non-Natus-manufactured equipment are subject to the policies and conditions imposed by the relevant manufacturer.