

NATUS MEDICAL INC. (“Company”) PURCHASE ORDER TERMS AND CONDITIONS

1. PRICES AND TAXES

The acceptance of this purchase order constitutes a warranty that the prices to be charged for articles or services ordered ("Products") do not exceed the lowest price charged to any other customer for similar quantities and delivery requirements. Unless otherwise specified, the prices set forth in this purchase order include all applicable federal, state and local taxes.

2. INVOICES

Seller will submit invoices in duplicate showing the following information: purchase order number, item number, description of item, size of item, quantity of item, unit prices, each applicable tax, extended totals and any other information specified elsewhere herein. A bill of lading or express receipt must accompany each invoice. Payment of invoice will not constitute acceptance of goods and will be subject to adjustment for errors, shortages, defects in the goods or other failure of Seller to meet the requirements of this purchase order. Company may at any time set off any amount owed by Company to Seller against any amount owed by Seller or any of its affiliated companies to Company.

3. DISCOUNTS

Time in connection with any discount offered by Seller will be computed from the latest of (i) the scheduled delivery date, (ii) the date of actual delivery or (iii) the date an acceptable invoice is received. For the purpose of earning the discount, payment will be deemed to have been made on the date of mailing of Company's check.

4. OVERSHIPMENTS

Company will pay only for maximum quantities ordered. Company will hold over-shipments at Seller's risk and expense for a reasonable time awaiting shipping instructions. Return shipping charges for excess quantities will be at Seller's expense.

5. PACKING AND SHIPMENT

Unless otherwise specified, when the price of this purchase order is based on the weight of the ordered goods, such price is to cover only the net weight of material ordered, and no charges will be allowed for packing, handling, transportation, storage or other packing requirements. Unless otherwise specified, Seller will package and pack all goods in a manner that is (i) in accordance with good commercial practice, (ii) acceptable to common carriers for shipment at the lowest rate for the particular goods, (iii) in accordance with I.C.C. regulations and (iv) adequate to insure safe arrival of the goods at the named destination. Seller will mark all containers with necessary lifting, handling, and shipping information and with purchase order numbers, date of shipment and the names of the consignee and consignor. An itemized packing list must accompany each shipment. No partial or complete delivery will be made prior to the due date or dates shown unless Company has given prior written consent.

6. F.O.B. POINT

Unless otherwise specifically provided on the face of this order, the products ordered hereunder will be delivered F.O.B. named port of destination.

7. WARRANTY

(a) Seller warrants that all goods delivered will (i) be free from defects in workmanship, material, and manufacture; (ii) comply with the requirements of this purchase order, including any drawings or specifications incorporated herein or samples furnished by Seller; (iii) where design is Seller's responsibility, be free from defects in design and (iv) be in compliance with all applicable laws and regulations. Seller further warrants that all goods purchased hereunder will be of merchantable quality and will be fit for the purposes intended by Company to the extent disclosed to Company. The foregoing warranties constitute conditions to this purchase order. They are in addition to all other warranties, whether express or implied, and will survive any delivery, inspection, acceptance or payment by Company. All warranties run to the benefit of Company and its resellers and customers. (b) Company's approval of Seller's materials or design will not relieve Seller of any warranties. (c) If any goods delivered do not meet the warranties specified herein or otherwise applicable, Company may, at its option, (i) require Seller to correct any defective or nonconforming goods by repair or replacement at no cost to Company; (ii) return such defective or nonconforming goods to Seller at Seller's expense and recover from Seller the order price thereof or (iii) correct the defective or nonconforming goods itself and charge Seller with the cost of such correction.

8. INSPECTION AND ACCEPTANCE

Notwithstanding any prior inspection or payments, all goods will be subject to final inspection and acceptance at Company's plant within a reasonable time after delivery. In case any item is defective in material or workmanship, or otherwise not in conformity with the requirements of this order, Company will have the right to reject it, to require its correction or to accept it with an adjustment in price. Any item that has been rejected must be replaced or corrected by and at the expense of Seller promptly after notice. If, after being requested by Company, Seller fails to promptly replace or correct any defective item, then Company may (i) by contract or otherwise, replace or correct such item and charge to Seller the cost occasioned thereby, (ii) without further notice, cancel this purchase order for default in accordance with Section 10 below or (iii) require an appropriate reduction in price.

9. CHANGE ORDERS

(a) The Company may at any time, by a written order, suspend performance hereunder, increase or decrease the ordered quantities, change the due date or make changes in any one or more of the following: (i) applicable drawings, designs or specifications; (ii) method of shipment or packing; and/or (iii) place of delivery. (b) If the change causes an increase in the cost or the time required by Seller for performance of this purchase order and Seller so notifies Company, then an equitable adjustment will be made in the order price or delivery schedule or both, and the purchase order will be modified accordingly in writing. No claim by Seller for such an adjustment will be valid unless asserted within twenty (20) days from the date of receipt by Seller of the notification of change; provided, however, that such period may be extended upon the written approval of Company. (c) Seller shall notify Company of any significant change to its processes (including design, development or manufacturing processes) pertaining to Products, and Company reserves the right to accept or reject Products based on any such changed process. (d) Nothing in this Section 9 is intended to excuse Seller from proceeding with this purchase order as changed or amended.

10. CANCELLATION FOR DEFAULT

(a) It is understood and agreed that time is of the essence for this order because the goods or services ordered herein are needed for products of Company that have a very short, carefully timed market life; failure of Seller to deliver on the due date could cause Company's products to be unmarketable. Company may, by written notice, cancel this order in whole or in part if, in Company's good-faith opinion, Seller has failed to (i) make delivery of the items or to perform the services within the time specified herein, or any extension thereof by written change order or amendment; (ii) replace or correct defective items in accordance with the provisions of Sections 7 or 8 above; (iii) perform any of the other provisions of this purchase order or (iv) has so failed to make progress under this purchase order as to endanger performance in accordance with its terms. (b) If this purchase order is canceled for Seller's default, Company may procure, upon such terms and in such manner as Company may deem appropriate, goods or services similar or substantially similar to those canceled. Seller will then be liable to Company for any excess costs occasioned thereby. (c) If all or a portion of this purchase order is canceled for Seller's default, Company may require Seller to transfer title and to deliver to Company, in the manner and to the extent directed by Company, (i) all completed items not yet delivered and (ii) any partially completed items and materials that Seller has produced or acquired for the performance of the terminated portion. Seller will, upon direction of Company, protect and preserve the property listed in this paragraph that is in the possession of Seller. Payment for completed items delivered to and accepted by Company under this paragraph will be in an amount (not to exceed the contract price) agreed upon by Seller and Company; however, Seller's obligation to carry out Company's direction as to delivery, protection and preservation of the property will not be contingent upon prior agreement as to such amount. (d) Nothing in this Section 10 is intended to excuse Seller from proceeding with any uncancelled portion of this purchase order.

11. TERMINATION FOR CONVENIENCE

(a) At any time for convenience, Company may terminate this purchase order, in whole or in part, by written notice. (b) Upon such termination, Seller will, to the extent and at the times specified by Company, stop all work under this purchase order; place no further orders for materials to complete the work; assign to Company all Seller's interests under terminated subcontracts and orders; settle all claims thereunder after obtaining Company's approval; protect all property in which Company has or may acquire an interest and transfer title and make delivery to Company of all articles, materials, work in process and other things held or acquired by Seller in connection with the terminated portion of this purchase order. Seller will proceed promptly to comply with Company's instructions respecting each of the foregoing without awaiting settlement or payment of its termination claim. (c) Within six (6) months after such termination, Seller may submit to Company its written claim for termination charges, in the form and with the certifications prescribed by Company. Failure to submit the claim within six (6) months will constitute a waiver of all claims and a release of all Company's liability arising out of the termination. (d) The parties may agree upon the amount to be paid Seller for such termination. If they fail to agree, Company will pay Seller the following amounts: (i) The contract price for all items completed or services rendered in accordance with this purchase order for which payment has not been made. (ii) The actual costs incurred by Seller which are properly allocable under recognized commercial accounting practices to the terminated portion of this purchase order, plus a fair and reasonable profit on such costs. If it appears that Seller would have sustained a loss on the order, no profit will be allowed and an adjustment will be made reducing the amount of the settlement to reflect the indicated rate of loss. (iii) The reasonable costs incurred by Seller in making settlement hereunder and in protecting property in which Company has or may acquire an interest. (e) Payments made under Sections 11(d)(i) and (ii) above may not exceed the aggregate price specified in this purchase order less payments otherwise made or to be made. Any amounts payable for property lost, damaged, stolen or destroyed prior to delivery to Company will be excluded from amounts otherwise payable to Seller under this Section 11.

12. RISK OF LOSS OR DAMAGE

Notwithstanding any prior inspections and irrespective of the F.O.B. point named herein, Seller will bear all risk of loss, damage or destruction to the ordered goods until final acceptance of the goods by Company at destination. Seller will bear the same risk with respect to any goods rejected by Company. Company, however, will be responsible for any loss occasioned by the gross negligence of its employees acting within the scope of their employment.

13. WAIVER

The failure of Company to enforce at any time any of the provisions of this purchase order, to exercise any election or option provided herein or to require at any time the performance by Seller of any of the provisions herein will not in any way be construed to be a waiver of such provisions.

14. REMEDIES

The remedies stated herein are in addition to all other remedies at law or in equity.

15. INDEMNIFICATION

(a) Seller agrees to indemnify Company, its agents, customers, successors, and assigns against any loss, damage and liability (including costs and expenses) for actual or alleged infringement of any patent, copyright, trademark or other third party right arising out of the use or sale of the goods by Company, its agents or customers; provided, however, that Company must notify Seller of any suit, claim or demand involving such infringement and permit Seller to defend against or settle the same. If any injunction is issued as the result of any such infringement, Seller agrees, at Company's option, to (i) refund to Company the amounts paid to Seller for the goods covered by the injunction or (ii) promptly furnish Company with acceptable and non-infringing goods. (b) Seller agrees to indemnify Company against any and all liability and expense resulting from any alleged defect in the goods, whether latent or patent, including allegedly improper construction and design or from the failure of the goods to comply with specifications. (c) Seller warrants that there are no liabilities for royalties, mechanics liens or other encumbrances on the goods supplied and agrees to indemnify Company against any such liabilities. (d) The above indemnifications are in addition to all other rights of indemnification of Company against Seller.

16. NON-DISCLOSURE OF CONFIDENTIAL MATTERS

Seller will not quote for sale to others, without Company's written authorization, any goods purchased under Company's specifications or drawings. All specifications, drawings, electronic files, samples and other data furnished by Company will be treated by Seller as confidential information, will remain Company's property and will be returned to Company on request. All such material will be fully insured by Seller against any loss and will not be used directly or indirectly in any way detrimental to Company's business.

17. ASSIGNMENTS

No right or obligation under this purchase order (including the right to receive monies due) may be assigned by Seller without the prior written consent of Company and any purported assignment without such consent will be void. Company may assign this purchase order at any time if such assignment is considered necessary by Company in connection with a sale of Company's assets or a transfer of its obligations.

18. NOTICE OF DELAYS

Whenever any event delays or threatens to delay the timely performance of this purchase order, Seller will immediately notify Company of such event and furnish all relevant details. Receipt by Company of such notice will not constitute a waiver of the due dates hereunder.

19. PATENT LICENSE

Seller, as part consideration for this purchase order and without further cost to Company, hereby grants to Company (and, to the extent requested by Company, to the government) an irrevocable, non-exclusive, royalty free license to use, sell, manufacture and cause to be manufactured products embodying any inventions and discoveries made, conceived or actually reduced to practice in connection with the performance of this purchase order.

20. BLANKET PURCHASE ORDER

If this order is a "blanket purchase order", "BPO" or the like, Seller acknowledges and agrees that the quantities set forth on the face hereof represent Company's good faith estimate of its needs for such goods. Seller also acknowledges and agrees that such quantities are subject to change by Company in its sole discretion upon notice to Seller. From time to time, Company will deliver to Seller forecasts of Company's requirements for goods and services under a blanket purchase order (each such report a "Requirements Notice"). Seller agrees to deliver the goods and services under a blanket purchase order in accordance with the Requirements Notice.

21. COMPLIANCE WITH LAW, REGULATION AND COMPANY RULES

Seller will comply with all federal, state and local laws and regulations. Seller certifies that the goods purchased are produced in compliance with and will conform to all applicable current requirements of OSHA, EPA, FLSA and HIPAA. The provisions of the Equal Opportunity Clause of Executive Orders 11246 and 11375 are herein incorporated by reference. If this order covers the

performance of labor for Company, Seller agrees to require its employees to comply with all safety and health regulations and company safety practices applicable to their conduct. The provisions of Section 202 of Executive Order 11246 and Sections 60-1.7, and 60.1.8 of Chapter 60 of 41 Code of Federal Regulations, as amended, prohibiting discrimination against any employment because of race, color, religion, sex or national origin, Section 60-741.4 of Chapter 60 of 41 Code of Federal Regulations, as amended, prohibiting discrimination against any employee or applicant for employment because of physical or mental handicap and Section 60-250.4 of Chapter 60 of 41 Code of Federal Regulations, as amended, providing for the employment of disabled veterans and veterans of the Vietnam era, are hereby incorporated by reference to the same extent and with the same force and effect as if set forth herein in full.

22. GOVERNMENT CONTRACTS

If this purchase order is issued for any purpose that is either directly or indirectly connected with the performance of a prime contract with the government or a subcontract thereunder, the terms that the Armed Services Procurement Regulation or other appropriate regulations require to be inserted in contracts or subcontracts will be deemed to apply to this purchase order.

23. INTERPRETATION

Unless a duly authorized officer of Company shall have otherwise agreed in a writing expressly referring to these terms, this purchase order (as supplemented by the Requirements Notices in the case of a blanket purchase order), when accepted by Seller, is the complete and exclusive statement of the terms and conditions of the agreement between Company and Seller relating to the goods specified on the face hereof. It supersedes all prior agreements, written or oral. No course of prior dealings between the parties and no usage of the trade will be relevant to supplement or explain any term used in this contract.

24. APPLICABLE LAW

The laws of the State of California will govern this purchase order excluding any rules that would apply the law of another jurisdiction. The United Nations Convention on Contracts for the International Sales of Goods shall not apply to this Agreement.