

NATUS MEDICAL INC  
Form DFAN14A  
May 30, 2018

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Under Rule 14a-12

**Natus Medical Incorporated**

(Name of Registrant as Specified in Its Charter)

**Voce Catalyst Partners LP**  
**Voce Capital Management LLC**  
**Voce Capital LLC**

**J. Daniel Plants**  
**Mark G. Gilreath**  
**Lisa Wipperman Heine**  
**Joshua H. Levine**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

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On May 30, 2018, Voce Capital Management LLC provided a presentation to Institutional Shareholder Services regarding the Company (the "Presentation"). A copy of the Presentation is filed herewith as Exhibit 1.



**EXHIBIT 1**

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voce capital BABY Come Back Discussion Materials May 30, 2018

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investigations and analysis of those statements and communications and of the Company and any other companies to which those statements or communications may be relevant . Disclaimer



3 voce capital Table of Contents 1. Executive summary 2. Natus overview 3. Natus underperformance A. Serially missed guidance B. Failed to achieve own financial targets C. Relative underperformance 4. Opportunity 1: Reform corporate governance 5. Opportunity 2: Refocus Natus on operational fundamentals A. Return to organic growth B. Cessation of roll - up strategy C. Enhance profitability D. Re - instill a culture of regulatory compliance 6. Opportunity 3: Restructure CEO compensation 7. Conclusion 8. Sources Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

4 voce capital Executive summary Natus is one of Voce's oldest investments; having first invested in 2013, we have intimate familiarity with the business, people and stock – Exited in 2016 after losing confidence Natus has underperformed its own self - selected "Proxy Peers" over the past 1 - , 3 - and 5 - year periods – Has fallen 36% since its peak in 2015 – It trades at a valuation discount, even when accounting for its lower growth profile Execution issues have destroyed significant value and eviscerated management's credibility – Natus has consistently offered guidance that failed to meet Street expectations – Natus has failed to achieve the financial targets its CEO told investors were key performance metrics, even after successively lowering them Gross margins, operating margins, organic growth, new business lines and EPS growth – Repeated regulatory, legal, compliance and operational mistakes have dented Natus' reputation and business Repeated false and misleading statements by Natus are deeply concerning – According to a recently published Federal District Court opinion in a lawsuit brought by Natus stockholders, CEO Hawkins is alleged to have made misstatements to hide the fact that the Venezuela Ministry of Health had already defaulted on \$46 million in payments, according to the Court's opinion – Natus' Board has repeatedly filed false and misleading governance documents with the SEC Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

5 voce capital Executive summary (cont.) Natus' roll - up strategy has emphasized acquisitions rather than organic growth – Natus' lack of organic growth – currently negative – has perennially disappointed investors – Almost all of Natus' current revenues can be attributed to acquisitions – Despite the growth in revenue, Natus has derived no scale benefit from buyouts – Its operating margins are the same today as when it had less than 10% of current revenue – Its gross margins today are lower and its return on capital is dramatically lower – The absence of financial synergy or sustainable franchise value from the current strategy means that Natus is dependent on ever - larger M&A to maintain its growth – unsustainable, in our view – We believe the risks to continued M&A are heightened by Natus' larger size, fewer targets and balance sheet limitations – An opportunity exists to boost Natus' profitability – Every operating expense category exceeds the average of its self - selected Proxy Peer set – Natus' paltry R&D returns don't justify the large, speculative investment program it has announced – Compensation expense is excessive Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

6 voce capital Executive summary (cont.) Natus' corporate governance is directly responsible for the persistence of these issues, in our view – The staggered Board is aged, insular and poorly aligned with stockholders – unrepentant Director and Officer selling has continued even during this Proxy contest – The Board has failed to hold the CEO accountable for poor performance and has, in fact, gratuitously rewarded him – The Board's Chairman, Robert Gunst, has not honored his duties as the representative of independent stockholders – Gunst, who has been retired since 1999 and hasn't been on another public Board in a decade, is out - of - touch with modern governance, by our estimation Refused to meet with Voce; disclaimed his responsibility to respond to stockholder inquiries – Voce's Removal Proposal seeks to remove Gunst as a Director – Voce has nominated three fresh, highly - experienced and independent Director candidates – Mark G. Gilreath : Operating Partner at Frazier Healthcare Partners; Former founder, CEO and Director of EndoChoice ; Former President and CMO of Given Imaging – Lisa Wipperman Heine : COO of Mitralign ; Former Global VP, Clinical & Medical Affairs at Covidien; Member of Board of Directors at Surmodics – Joshua H. Levine : CEO and Director of Accuray ; Former CEO and Director of Immucor ; Former CEO and Director of Mentor Corporation – While Voce is not seeking “control” of Natus in any sense, we include a few “starter kit” recommendations for the new Board to consider in its early days Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

7 voce capital Voce Capital Management LLC and its nominees own 735,709 shares of Natus Medical – 2.2% of shares outstanding – Long - term stockholders; first invested in Natus in 2013 until losing confidence in 2016 Voce is an SEC - registered investment adviser founded by J. Daniel Plants in 2011 – Voce pursues a value - driven, governance - focused investment strategy – Particular expertise in healthcare, technology and financials – Investor base comprised of leading foundations, institutions and family offices Voce’s principals have extensive experience in corporate governance and shareholder value creation – Prior experience of Voce principals: Goldman Sachs, JPMorgan, TPG, Moelis, Sullivan & Cromwell Voce selectively uses activism to create value for all shareholders – Majority of investments are passive or involve cooperative partnerships with management Voce has led numerous successful campaigns for change Voce’s efforts have secured numerous important governance victories, such as de - staggering of Boards repeal of poison pills, adoption of majority voting, and defeat of dilutive equity issuances Average return to public shareholders across all 13 of Voce’s activist investments through 1Q18 is 38.6% (vs. 12.5% for the Russell 2000 and 14.4% for the S&P 500), with an average duration of 469 days About Voce Strategic Capital Allocation Corporate Governance Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

8 voce capital Attributes of a well - functioning Board Essential Characteristics Comments Natus Independent  
Aligned Experienced Fresh, vigorous, dynamic Disciplined compensation practices Effective oversight of  
management Functions without complete reliance on CEO Pluralistic – not controlled by one individual Meaningful  
equity ownership Accessible to stockholders Appropriate governance structure Active Nominating & Governance  
Committee Places stockholders’ interests above insiders Active service on other public Boards Professionally active  
Relevant industry experience Average tenure of 15 years Failure to hold CEO accountable; excessive pay for weak  
performance Inappropriate interference by CEO Dominated by Chairman Gunst Independent Directors own < 1%  
Net sellers of stock; Director Engibous has never bought a share and sold over 75% of holdings; Chairman Gunst net  
seller Refused to meet with Voce Filed materially false and misleading governance documents with SEC Staggered  
Board Only one independent director is employed (Moore – who is retiring) Only two have other Board seats  
(including Moore) Chairman Gunst – no healthcare experience; retired since 1999; no other Board since 2007 Director  
Engibous – retired since 2010; never held another public board seat Regulatory Profitability Cessation of M&A  
Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

9 voce capital Chairman Gunst: A disservice to independent stockholders The preeminent duty of an Independent Chairman: To represent the interests of independent stockholders Among the key responsibilities of an Independent Chairman: Requirement Chairman Gunst Alignment with stockholders × Very limited ownership × Net seller of Natus stock Meet with interested stockholders upon request × Refused to meet with Voce × Disclaimed responsibility to even respond to Voce – twice Be conversant in corporate strategy, at least at a high level × “Listen - only” mode × Unwilling to answer even basic questions or share any perspective on Natus, its strategy, its team, its stock or the Board Able to act without total reliance on management × Didn’t want to meet without CEO in the room × Used CEO and CEO’s assistant to respond to stockholders Hold CEO accountable for results and actions × Member of the Compensation Committee that has continued to increase pay for CEO despite poor performance × Long tenure directly overlaps with CEO × Zero healthcare experience – no industry context or credibility Understand corporate governance and public company fiduciary duties × Repeatedly oversaw filing of false and misleading Proxy Statements × Wrongly asserted that “Reg FD” required CEO to be present in order to allow Board to talk with stockholders × Understated his age in Natus Proxy Statement for several years Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

10 voce capital 75.0% 100.0% 125.0% 150.0% 175.0% 200.0% 225.0% 250.0% 275.0% 300.0% 325.0% 350.0%  
375.0% 400.0% Mar-13 Mar-14 Mar-15 Mar-16 Mar-17 Mar-18 Natus Proxy Peers Stark underperformance +149%  
Natus Source: Capital IQ, Data as of 3/19/18. the day prior to The WSJ story about Voce's involvement Note: Proxy  
Peers include ARAY, ABMD, ALOG, ANGO, CNMD, GMED, HAE, IART, ICUI, MASI, MMSI, NUVA, NXTM,  
OMCL, PODD +150% Proxy Peers Natus has underperformed its own self - selected Proxy Peers over every relevant  
time period Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation  
Governance Organic Growth Conclusion Proxy Period Natus Peers 1 Year (15.8%) 30.8% 3 Year (13.1%) 64.0% 5  
Year 148.7% 150.1% Most relevant, given current trajectory



11 voice capital Voce Nominees: Fresh, highly experienced, independent Currently President, CEO, and a Director of Accuray Incorporated (Nasdaq: ARAY) Previously President, CEO and a Director of Immucor (Nasdaq: BLUD) (Acquired by TPG for \$3.2Bn) Previously President, CEO and a Director of Mentor Corporation (NYSE: MNT) (Acquired by Johnson and Johnson for \$1Bn; 100% premium paid) Successful track record and experience in sales & marketing as well as strategic transactions Already a Natus shareholder Currently COO of Mitralign Director of Surmodix (Nasdaq: SRDX); Member of Nominating & Governance and Compensation Committees Previously Founder and Principal at deArca Strategic Solutions Previously served multiple leadership roles at Covidien / Medtronic, including Global VP of Medical Affairs for Vascular Therapies and responsible for strategy of a \$1.7Bn business segment Long operating history with specialization in Clinical Affairs, Regulatory Issues and Corporate Strategy Currently an operating partner at Frazier Healthcare Partners Previously Founder at EndoChoice (NYSE: GI) (Acquired by Boston Scientific for ~\$200 million) Previously President and CMO at Given Imaging (Nasdaq: GIVN) (Acquired by Covidien for \$850 million) Served in the US Navy in Naval Intelligence, including during Operation Desert Storm Brings meaningful medical device operating experience, strategic transaction experience and corporate governance rigor Already a Natus shareholder All of the Nominees are completely independent – none have any financial ties to Voce nor are they receiving any compensation from Voce Mark G. Gilreath Lisa Wipperman Heine Joshua H. Levine Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

voce capital Natus Overview

13 voce capital Natus snapshot Business Overview Financial Snapshot Natus provides products and services across neurology, newborn care and hearing impairment verticals Largely direct sales force in North America and through distributors internationally Company segments: Founded in 1987 IPO in 2001 HQ in Pleasanton, CA Neurology (48%) Newborn Care (29%) Otometrics (23%) Systems and supplies for neurology markets across diagnostic, monitoring and surgical applications to identify neurological or sleeping disorders via EEG, EMG, PSG or other testing Provides products and services for diagnosis and treatment of newborn care across specialized ailments like jaundice and ophthalmic deficiencies as well as nursery essentials for NICU and well - baby nurseries Denmark - based provider of hearing and balance instrumentation for audiologists, pediatrics and screening professionals FYE December Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion (in millions, except for per share and valuation data) Capitalization (as of): 05/25/18 Share Price \$36.05 Fully-Diluted Shares Outstanding 34.2 Market Value \$1,231 Plus Debt \$129 Less Cash and Investments (\$65) Enterprise Value \$1,296 Income Statement 2018E 2019E Revenue \$537 \$557 Adj. EBITDA \$73 \$76 Adj. EPS 1.59\$ 1.87\$ Valuation: 2018E 2019E TEV / Revenue 2.41x 2.32x TEV / Adj. EBITDA 17.8x 17.1x P / Adj. EPS 22.6x 19.3x

14 voce capital Newborn Care Segment overview Overview Revenue History Source: Voce research, Company filings  
 Market share Provides products and services for diagnosis and treatment of newborn care across specialized ailments  
 like jaundice and ophthalmic deficiencies as well as nursery essentials for NICU and well - baby nurseries NicView  
 (~\$8mm) – Equipment and software provided for streaming videos from NICU for family members to monitor the  
 babies remotely RetCam (~\$17mm) – Equipment to detect ophthalmic deficiencies in premature newborns Peloton  
 (~\$15mm) – Hearing screening services provided to hospitals on a per - test basis to handle equipment and staffing at  
 the hospitals Devices / Disposables – Hearing screening and Newborn care device and disposables Selected  
 Competition: \$107 \$102 \$120 \$129 \$124 \$120 \$123 \$139 \$143 \$144 (10.0%) (5.0%) -- 5.0% 10.0% 15.0% 20.0% \$  
 -- \$20 \$40 \$60 \$80 \$100 \$120 \$140 \$160 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Revenue Revenue  
 Growth 29% Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation  
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15 voce capital Newborn Care Products Hearing Screening NICU Baby Monitoring Jaundice NeoBlue RetCam Brain  
Monitoring Thermoregulation Closed Incubators Regulatory Profitability Cessation of M&A Underperformance  
Overview Summary Compensation Governance Organic Growth Conclusion

16 voce capital Newborn Care Peloton overview Overview Est. # of Peloton Hospitals Source: Voce research, Company filings Estimated Revenue (\$mm) Peloton is a hearing screening service provided to hospitals that wish to outsource their newborn hearing screening to Natus Previously, hospitals would have bought a hearing screening machine (~\$5,000) and paid ~\$10 per test in consumables – Required incremental staffing and no reason for incremental reimbursement (all bundled together with overall child birth reimbursement) At launch, Peloton was a \$100 / newborn screening service that provided all the equipment and staffing within the confines of the hospital footprint – As a 3 rd party provider, Natus was able to get separate reimbursement on top of what the hospital was already receiving so there was no downside to the hospitals Since its launch in 2014, Peloton had grown to nearly 150 hospitals (all domestic) Reimbursement has fallen as payer mix worsens and there is some hospital pushback on renewals given the initially high ~30% operating margins \$0.2 \$0.2 \$0.2 \$0.4 \$0.8 \$1.6 \$2.2 \$2.7 \$2.9 \$3.2 \$3.4 \$3.5 \$3.5 \$3.6 \$4.1 \$4.0 \$ -- \$0.5 \$1.0 \$1.5 \$2.0 \$2.5 \$3.0 \$3.5 \$4.0 \$4.5 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 10 20 43 58 65 77 79 90 92 107 110 133 142 147 130 128 0 20 40 60 80 100 120 140 160 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

17 voce capital Neurology Segment overview Overview Revenue History Source: Voce research, Company filings  
Market share Systems and supplies for neurology markets across diagnostic, monitoring and surgical applications to  
identify neurological or sleeping disorders via EEG, EMG, PSG or other testing Tests can be performed during  
surgery, during hospital stays or at - home depending on the type of product Global Neuro - Diagnostics (GND)  
(~\$15mm) – Provider of routine EEG video testing that can be performed at physician’s office or remotely at home  
Neurosurgery (~\$50mm) – Neurosurgical assets acquired from Integra in 2017 (~\$10mm in 2017 recognized) Nicolet  
(~\$90mm) – EEG and EMG systems from 2012 acquisition Selected Competition: 48% \* In - Lab systems only \*\*  
Excludes Japan \$55 \$65 \$98 \$104 \$168 \$224 \$233 \$237 \$239 \$243 -- 10.0% 20.0% 30.0% 40.0% 50.0% 60.0%  
70.0% \$ -- \$50 \$100 \$150 \$200 \$250 \$300 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Revenue Revenue  
Growth Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation  
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18 voce capital Neurology Market overview In - Hospital Setting Specialty Center Home Health Traditionally the largest buyer of neurodiagnostic equipment As hospitals have been facing volume issues the last few years, they have been making conscious decisions on whether to keep a standalone neurology department (which requires specialists on staff within neurovascular, neuromuscular and neuroimmunology) or to partner with specialty centers More purchases are made through GPOs (especially on the supply side) Specialty centers traditionally have bought equipment direct from manufacturers vs. through GPOs As specialty centers form partnerships with large hospital systems, volumes will move to hospital purchasing Growth in specialty sleep centers, which are typically non-reimbursable services so they bring in attractive cash payers Small but growing piece of the market that allows for longer-term measurements of key indications within the home Existing equipment providers typically selling into stand-alone service providers who handle training, data collection and interpretation Incremental innovations typically focus on portability and smaller footprint Natus offers a spectrum of Neurology products to each channel Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion



19 voce capital Neurology Products Long - term EEG Monitoring Portable Monitoring Remote Monitoring EMG  
Monitoring Sleep Monitoring Epilepsy Monitoring Regulatory Profitability Cessation of M&A Underperformance  
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20 voce capital Otometrics Segment overview Overview Historical Revenue Source: Voce research, Company filings  
Market share by region Entered new segment via 2017 acquisition (\$145mm) Denmark - based provider of hearing  
and balance instrumentation for audiologists, pediatrics and screening professionals Hearing Aid Fitting (\$40mm) –  
Tools for hearing aid dispensers to properly fit and tune hearing aids Hearing Diagnostics (\$24mm) – Solutions for  
hearing diagnostics used by audiologists Hearing Screening (\$12mm) – Products used by hospitals to screen newborns  
for hearing deficiencies Otoscan (New Segment in 2018) – New digital fitting and measurement process – Significant  
R&D investment required Key Competitors: \$100 \$28 \$29 \$29 \$29 \$114 \$ -- \$20 \$40 \$60 \$80 \$100 \$120 2016 1Q17  
2Q17 3Q17 4Q17 2017 23% 7% 39% 36% 12% 18% 3% 2% 7% North America Europe China Rest of World Legacy  
Otometrics Natus Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation  
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voce capital Natus underperformance

22 voce capital \$25.00 \$30.00 \$35.00 \$40.00 \$45.00 \$50.00 \$55.00 Jun-15 Sep-15 Nov-15 Feb-16 Apr-16 Jul-16  
Sep-16 Nov-16 Feb-17 Apr-17 Jul-17 Sep-17 Dec-17 Feb-18 May-18 Natus' alarming trajectory compels us to act  
10/15/15: Announces 3 year, \$233mm Venezuela contract 1/11/16: Announces delay in Venezuela deal, reduces  
annual figure to \$60mm 9/26/16: Announces Otometrics deal, along with Q3 revenue miss; Seattle shiphold  
announced 04/26/17: Reduces full year 2017 guidance after Q1 miss 1/8/18: Announces 2018 guidance well below  
expectations and Q4 revenue miss Shifting strategies, big revenue misses and failure to contain expenses have been a  
toxic cocktail for Natus' stockholders 4/4/16: Misses Q1 revenues on top of receiving no Venezuela revenues 4/25/18:  
Announces Q2 guidance miss and weak Q1 results 09/11/17: Announces Integra Neurosurgery asset acquisition  
3/20/18: WSJ reports on Voce involvement Regulatory Profitability Cessation of M&A Underperformance Overview  
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23 voce capital Concerns about CEO Hawkins On 1Q18 earnings call, CEO Hawkins had to be corrected by analysts and CFO Kennedy for reciting the guidance inaccurately On the same call, CEO Hawkins also had to be corrected for forgetting the name of a Company product This follows CEO Hawkins emotional and insulting outburst at a recent sell - side conference, reported on by The Wall Street Journal We are troubled by what we see as increasingly erratic behavior by CEO Hawkins “Analyst : Jim, can you clarify the guidance for the [second quarter]? Because I think what you said looks a little bit different than what was in the press release . CEO Hawkins : Jonathan, do you have that? Perhaps my notes are incorrect . I believe I said \$ 129 million to \$ 130 million . Analyst : The press release says \$ 129 million to \$ 131 million ... CFO Kennedy : So the press release is correct ... ” “CEO Hawkins : I believe it’s called Encore, if I remember it right, the name of that product . Analyst : Embrace . CEO Hawkins : Embrace . I’m sorry, Embrace . ”  
Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance  
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24 voce capital Shifting excuses Which is it? Birthrates matter or they don't? These conflicting statements raise questions about CEO Hawkins' handle on the business Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion "We just don't see [lower birthrates] in our business at all ... [L]et's say there is a 1 % drop in birthrate and if you use the number of 4 million babies, I mean what is that, 40 , 000 babies? And so for us at – let us say if it is at \$ 8 or \$ 9 a test, it is \$ 300 , 000 to \$ 400 , 000 over a whole year's time ; it is really sort of noise . And that's if it was really dropping . So we just haven't seen it . " - CEO Hawkins ( 07 / 31 / 08 ) "[I]n the United States, the current birth rate is about 4 million babies a year . This is down from 4 . 5 million babies in 2008 ... [W]e have a seen, as I mentioned, birthrates not only stabilize, but ... are increasing again . " - CEO Hawkins ( 05 / 14 / 13 ) "We also experienced a rather dramatic drop in birth rates, which certainly affected our Peloton . You take out the number of babies, your overhead structure when it's built for one set of birth rates and then it drops down, obviously it upsets your cost structure . " - CEO Hawkins ( 04 / 26 / 17 ) "In the United States, the birth rate we have on here, about 4 . 1 million ... . It's down 10 % or 12 % from the highs of 3 or 4 years ago ... . and we also think this has happened in Europe as well . " - CEO Hawkins ( 09 / 19 / 12 )

voce capital A. Serially missed guidance

26 voce capital Natus' beat - and - raise days are a distant memory Natus' EPS from 2012 – 2015 was driven by expanding operating margins from < 10% to ~19% in 2015 and one - time tax rate benefits Consensus pre - earnings: \$2.06 Consensus post - earnings: \$1.62 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion \$0.60 \$0.83 \$1.14 \$1.42 \$1.86 \$1.83 \$1.63 \$0.62 \$1.03 \$1.26 \$1.55 \$1.62 \$1.45 \$ -- \$0.20 \$0.40 \$0.60 \$0.80 \$1.00 \$1.20 \$1.40 \$1.60 \$1.80 \$2.00 2012 2013 2014 2015 2016 2017 2018E Guidance Actual



27 voce capital Dramatically reduced visibility and outlook Natus has consistently failed to satisfy quarterly Street expectations since the start of 2016 2013 2014 2015 2016 2017 2018 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Actual EPS #####  
##### Guidance EPS ##### Natus  
Quarterly Performance vs. Consensus Missed Consensus = 1 / 12 Missed Consensus = 7 / 10 Made EPS vs. Consensus  
Missed EPS vs. Consensus “[O]n the same day it announced the largest acquisition in its history, Natus pre -  
announced another disastrous quarterly miss (against an already lowered set of expectations and unambitious 3 Q 16  
guidance) .” – Voce Letter to Natus Stockholders ( 04 / 23 / 18 ) Regulatory Profitability Cessation of M&A  
Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

28 voce capital Excessively promotional, in our view References to... Examples from CEO Hawkins Total References  
“Excited / Exciting” “We remain very excited with the future of Otometrics ... . We remain very excited about Otoscan ... .  
We are also excited about our entrance into neurosurgery . I remain excited about the future of Natus . ” ( 2 / 7 / 18 ) “I  
remain excited about the future of Natus ... . [W]e're very excited about the Embrace ... . So we're very excited ... . I remain  
excited about the future of Natus ... . Combining this growth with increased profitability and accretive acquisitions make  
for an exciting future for our company . ” ( 10 / 25 / 17 ) “We're very excited, and really, I think everyone will be quite  
excited ... . [W]e're very excited with where Natus is going, and we can't wait for 2018 to get here to get this year of  
integration and clean up behind us, but we're almost there . So it's going to be a great future, and we're very excited . ” ( 6 / 22 / 17 )  
“But boy, are we ever excited ... ” ( 4 / 26 / 17 ) “We remain very excited about this [Peloton] opportunity . ” ( 1 / 28 / 15 ) 226 “Pleased”  
“I am pleased with our accomplishments in 2016 ... ” ( 2 / 1 / 17 ) “While I am very pleased with  
our record first quarter revenues, earnings did come in below our guidance . ” ( 4 / 26 / 17 ) 135 “Success / Successful”  
58 “[W]e expect Otometrics to be a similar success story ... ” ( 9 / 26 / 16 ) “We will be building a sales, marketing and  
support team to ... make the Embrace a success . ” ( 10 / 25 / 17 ) 1. CEO Hawkins' live commentary from 2008 onwards;  
all quarterly earnings calls, one analyst day, three M&A calls, plus 17 sell - side conferences “Proud” 21 “The other  
thing we're very proud about is our operating margins ... . [W]e have said our goal is to get to 18 % pretax operating  
margins ... in ' 15 and then in ' 16 , to take it to 20 % . So we see improved -- continued improved financial  
characteristics . ” ( 1 / 15 / 15 ) “We're very proud of our gross profit margins, how it has increased from 57 % to --  
through 3 quarters of this year to 62 % . But we anticipate ending up at around 63 % gross profit margin this year ... ” ( 1 / 12 / 17 )  
“We're very proud of what we built here, and now we're looking to show the benefits that we created . ” ( 9 / 26 / 16 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation  
Governance Organic Growth Conclusion

voce capital B. Failed to achieve own financial targets

30 voce capital Natus' stated financial goals: Summary scorecard CEO Hawkins' Commitments to Shareholders Reality

Gross Margins of 65% – “[T]here is no reason...Natus cannot be a 65% gross margin business...[W]e do continue to make strides towards that over the next 1, 2 and 3 years. So we think it'll be a nice pleasant journey...” (7/22/15) × Annual gross margins have never exceeded 63% × 2017 Gross Margin: 60% × 1Q18 Gross Margin: 59% 1 Operating Margins of 25% – “[W]e think Natus can be a 25% non - GAAP operating margin company.” (5/24/16) × Annual operating margins have never exceeded 19% – Peaked in 2015 at 19% × Target has been successively lowered over the years 2 Organic growth of 10% – 15% – “[W]e do see that...getting back to a 10% to 15% internal growth year - over - year...” (7/30/09) × Organic growth has never exceeded 4% in the last 7 years – Average: - 1% × Target has been successively lowered over the years × 2017 organic growth: 0% 3 Exciting new opportunities – “Peloton could get to be a \$100 million business.” (10/21/15) – “[W]e think the total market opportunity [for GND] could easily be \$150 million to \$200 million.” (09/12/16) – Venezuela \$232.5 million contract × Peloton <\$15 million in revenues and at periods of time was losing money × GND has not seen as much growth outside of Texas; not very profitable × Venezuela resulted in only \$20 million revenues and has since been abandoned 4 Many of these goals have been reiterated, only to be successively lowered and/or withdrawn over time EPS Growth of 35% – 40% – “Our corporate objective is...to achieve annual non - GAAP earnings growth of 35% to 40% per year.” (4/28/11) 5 × EPS growth has never been close to the target growth rates × EPS has benefited from one - time tax benefits and share repurchases that aren't replicable Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

31 voce capital 52.0% 54.0% 56.0% 58.0% 60.0% 62.0% 64.0% 66.0% 2008 2009 2010 2011 2012 2013 2014 2015  
2016 2017 Damaged credibility: Gross margins What CEO Hawkins Said What Actually Happened 65% Target  
(2008) 63% Target (2017 Analyst Day) Peak: 62.6% Trough: 57.1% Average: 60.3% 1 “We think we can get to a ... 63  
% gross profit margin at Natus overall ... ” ( 06 / 22 / 17 ) “[T]here is no reason, over time, Natus cannot be a 65 % gross  
margin business ... . [W]e do continue to make strides towards that over the next 1 , 2 and 3 years . So we think it’ll be a  
nice, pleasant journey ... ” ( 7 / 22 / 15 ) “[O]ur goal is to get [gross margin] to 65 % .... We hope to get it over 60 % by the  
end of this year, but in the following year to make a run at 65 % . ” ( 7 / 31 / 08 ) Regulatory Profitability Cessation of  
M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

32 voce capital -- 5.0% 10.0% 15.0% 20.0% 25.0% 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Damaged  
credibility: Operating margins What CEO Hawkins Said What Actually Happened Peak: 19.0% Trough: 8.1%  
Average: 14.0% 25% Target (2016) 22% Target (2017 Analyst Day) 20% Target (2015) 2 “But in the future ... we  
believe we can be a 20 % operating margin business . ” ( 1 / 10 / 18 ) “[Y]ou get us in ’ 18 ... hitting our 20 % pretax  
margins ... we’re going to be a earnings cash flow machine ... ” ( 9 / 26 / 16 ) “[N]ext year ... we will be dropping probably to  
around 15 % ... ” ( 1 / 12 / 17 ) “[W]ith pricing and just other cost - out initiatives, we think we can continue to get . ... to  
that 24 % , 25 % ... ” ( 9 / 12 / 16 ) “I think if we can get to 24 % , 25 % over the next 2 or 3 years, we’d be very happy  
with that . ” ( 9 / 12 / 16 ) “[W]e think Natus can be a 25 % non - GAAP operating margin company . ” ( 5 / 24 / 16 ) “We  
established a long - term non - GAAP operating margin goal of 20 % ... ” ( 1 / 28 / 15 ) “[W]e haven’t changed our  
business model at all . We’re looking 22 % , 23 % , 24 % pretax profits” ( 7 / 30 / 09 ) Regulatory Profitability  
Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

33 voce capital Damaged credibility: Organic revenue growth What CEO Hawkins Said What Actually Happened 3  
 Average: (0.9%) “[W]e believe Natus has the opportunity to have organic revenue growth of 5 - 7 % in future years . ” ( 7 / 26 / 17 ) “We have a new product pipeline in both areas and new product initiatives, such as [NicView] and Peloton, that can really let us sustain organic growth, we believe, at least 3 % to 4 % . ” ( 1 / 15 / 15 ) “If you look long term, we see there is no reason as things stabilize, where we can’t be a 3 % to 5 % grower . ” ( 5 / 20 / 13 ) “[W]e see newborn hearing, newborn care and neurology all growing in that 5 % to 10 % range . ” ( 3 / 1 / 11 ) “Even without acquisitions, if we can grow this business 2 % to 4 % organically ... it’s a valuable asset . ” ( 5 / 13 / 14 ) “[W]e do see that ... getting back to a 10 % to 15 % internal growth year - over - year ... ” ( 7 / 30 / 09 ) “[W]e just don’t see [lower birthrates] in our business at all ... . [L]et’s say there is a 1 % drop in birthrate and if you use the number of 4 million babies, I mean what is that 40 , 000 babies? And so for us at – let’s say if it is at \$ 8 or \$ 9 a test, it is \$ 300 , 000 to \$ 400 , 000 over a whole year’s time ; it is really sort of noise . And that’s if it was really dropping . So we just haven’t seen it . ” ( 7 / 31 / 08 )  
 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance  
 Organic Growth Conclusion (12.0%) 11.2% (6.1%) (3.6%) (3.8%) 3.0% 3.5% (1.0%) 0.0% (0.4%) (15.0%) (10.0%) (5.0%) -- 5.0% 10.0% 15.0% 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018E

34 voce capital Damaged credibility: New services businesses What CEO Hawkins Said What Actually Happened (CEO Hawkins quotes) Peloton Peloton NicView NicView – Management has indicated issues integrating into hospital IT infrastructure remains a big hurdle – Nurses have pushed back on liability/privacy concerns GND – Growth was relatively flat last year despite expansion into over 20 states – GND 2017 Revenue: ~\$15mm 4 “[W]e certainly believe Peloton is a business that can stay . Our customers that use it just love it . I think we have to look at the whole pricing model . . . . but the hospitals love our service and we believe many of them are not going to want to give that up . ” ( 4 / 26 / 17 ) “We’re certainly looking for continued rapid growth [at Peloton]” ( 2 / 1 / 17 ) “Peloton could get to be a \$ 100 million business . ” ( 10 / 21 / 15 ) “[We still] believe NicView is going to have a very good year in 2017 . A lot of leads” ( 2 / 1 / 17 ) “Lower earnings were primarily due to . . . reduced margins for Peloton . . . . [from] a shift by government payers and lower reimbursement . . . ” ( 4 / 26 / 17 ) “Peloton coming down from a revenue perspective due to lower revenue per baby . . . . [E]arlier in [ 2017 ], Peloton was not profitable . . . ” ( 10 / 25 / 17 ) “At the end of the second quarter, we restructured Peloton [with a \$ 4 . 1 million collection reserve] . . . along with updating our business model . ” ( 7 / 26 / 17 ) “[W]e have made a strategic shift to focus only on profitable hospitals . . . . And what that means most likely . . . is probably going to be a slower growth rate . . . ” ( 6 / 22 / 17 ) “At GND we’re looking for . . . very nice growth . . . ” ( 2 / 1 / 17 ) “[W]e think the total market opportunity [for GND] could easily be \$ 150 million to \$ 200 million” ( 09 / 12 / 16 ) GND Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion



35 voce capital \$25.00 \$30.00 \$35.00 \$40.00 \$45.00 \$50.00 \$55.00 Jun-15 Sep-15 Nov-15 Jan-16 Apr-16 Damaged  
credibility: Unfulfilled Venezuela “Win” What CEO Hawkins Said What Actually Happened 10/21/15: Discusses more  
Venezuela deal details on Q3 Call 10/15/15: Announces 3 - year Venezuela deal for \$232.5 million 1/11/16:  
Announces delay in Venezuela deal, reduces annual figure to \$60mm 4/4/16: Natus preannounces 1Q16 results and  
removes Venezuela revenues and earnings from guidance 4 “[M]edix, our Argentine subsidiary, signed a 3 - year  
agreement with the Ministry of Health of Venezuela for \$ 232 . 5 million to supply Venezuela with neonatal and  
obstetric equipment, supplies and services ... . After this contract expires, we do believe there will be a continuing  
relationship for supplies, other products going forward” ( 10 / 21 / 15 ) “[T]here’s been an election in Argentina ... and a 35  
% devaluation of the currency . And thus, it really sort of stymied a lot of the business that’s going on in Argentina, but  
we think, all for the better ... . We understand now things are back on track . ” ( 1 / 14 / 16 ) “[Venezuela] should be ... in  
that 18 % going to 20 % range [for profitability] ... . As we sit now, we’re certainly very confident that this business will  
happen ... . And so now it’s just a waiting game . ” ( 1 / 27 / 16 ) Total revenue received from Venezuela: \$20 million  
1/27/16: Management reiterates confidence in Venezuela deal Regulatory Profitability Cessation of M&A  
Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

36 voce capital Damaged credibility: EPS growth What CEO Hawkins Said What Actually Happened 5 CAGR: 9.1%  
“Going forward, we look to continue ... earnings growth on a consistent basis .”( 1 / 10 / 18 ) “We're very proud of our earnings growth ... . We have certainly expectations, if all goes well in our execution of the Otometrics acquisition, to exceed these numbers and to make a run at \$ 2 a share . ” ( 1 / 12 / 17 ) “We look to continue to show rapid earnings growth on an earnings per share basis ... ” ( 5 / 13 / 14 ) “Our corporate objective is ... to achieve annual non - GAAP earnings growth of 35 % to 40 % per year . ” ( 4 / 28 / 11 ) “Our goal is to grow earnings on a consistent basis of 35 % to 40 % a year ... . [W]e feel Natus is really back on track to get that 35 % to 40 % earnings growth that we did until the economy slowed down . But we're committed to do that and really see a path to get there . ” ( 1 / 10 / 11 ) “Our goal of being able to grow earnings at 50 % a year - we're not backing off of that . So I want to make sure people understand that . If by chance, acquisitions maybe put off from Q 4 to Q 1 , if the timing's not perfect, it would be in such a way that we would hope to be able to - as our plan exists, to grow earnings to 50 % a year . ” ( 10 / 30 / 08 ) \$0.66 \$0.40 \$0.54 \$0.47 \$0.62 \$1.03 \$1.26 \$1.55 \$1.62 \$1.45 \$ -- \$0.20 \$0.40 \$0.60 \$0.80 \$1.00 \$1.20 \$1.40 \$1.60 \$1.80 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

voce capital B. Relative underperformance

38 voce capital Turnover in Natus shareholders since missteps Since 2015, some of Natus' largest investors have lost confidence, voting with their feet Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 Δ BlackRock 3,178 3,360 3,360 3,268 3,411 3,802 4,124 4,150 4,180 4,033 4,327 36% Eagle Asset Management 3,086 3,141 2,998 2,882 2,618 1,512 419 420 499 400 520 (83%) Vanguard 2,032 2,530 2,252 2,087 2,122 2,170 2,275 2,342 2,373 2,245 2,324 14% Dimensional 1,484 1,461 1,407 1,338 1,334 1,363 1,402 1,553 1,605 1,619 1,613 9% Diamond Hill Capital 958 491 591 591 590 590 576 545 529 510 510 (47%) Hodges Capital 800 818 321 -- -- -- -- -- (100%) State Street 659 660 674 668 710 747 811 857 867 892 931 41% Fidelity 650 610 440 460 360 -- -- -- -- -- (100%) BNY Mellon 627 577 639 635 640 666 588 585 485 431 412 (34%) Neuberger Berman 618 1,141 1,431 1,572 1,546 -- -- -- -- -- (100%) Fisher Investments 601 595 589 590 612 610 598 588 589 585 575 (4%) Copper Rock Capital 571 569 -- -- -- -- -- -- -- -- -- (100%) Loomis, Sayles 515 576 573 -- -- -- 0 0 0 -- -- (100%) Rice Hall James 500 494 493 486 483 474 462 460 440 414 -- (100%) TIAA 470 468 487 439 472 492 526 530 229 171 131 (72%) Northern Trust 464 471 479 476 519 500 507 518 515 486 485 4% Motley Fool 449 243 406 406 406 376 137 137 -- -- -- (100%) Rainier 336 186 266 139 138 160 105 75 66 83 83 (75%) Gotham 331 181 85 280 143 147 112 -- -- -- -- -- (100%) RK Capital 325 101 236 362 171 -- -- -- -- -- (100%) Norges Bank 316 316 316 254 244 332 503 503 503 292 292 (8%) Columbia 312 342 341 376 421 558 482 250 238 224 235 (25%) Columbia Partners 311 278 207 -- -- -- -- -- -- -- (100%) Geode Capital 296 279 272 292 303 391 417 373 289 287 288 (3%) Fiera Capital 295 319 382 185 167 151 149 104 97 66 -- (100%) Top 25 Institutional 20,187 20,206 19,244 17,787 17,411 15,043 14,193 13,990 13,506 12,738 12,725

39 voce capital Natus self - selected proxy peer valuations Natus trades at a significant valuation discount to its peers, even when accounting for its lower growth Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion (USD in millions, except per share data) Technical Capitalization Fundamental USD % of Price Net 5/25/18 52W Equity Enterprise EV/Revs EV/EBITDA Earnings Book LTM Margin Debt / Debt / Growth PEG Div. Price High Value Value 2018E 2019E 2018E 2019E 2018E 2019E Value GM EBITDA Net EBITDA Equity EPS Rev. Ratio Yield Proxy Peers Accuray Incorporated \$4.40 72% \$376 \$439 1.1x 1.1x 19.6x 12.4x NM NM 8.4x 39% 1% -7% 2.8x 300% NM 5% NM 0.0% ABIOMED, Inc. \$394.28 98% \$18,192 \$17,830 24.7x 19.5x 82.0x 62.6x 118.3x 91.6x 26.4x 83% 29% 19% NA -- 29% 27% 314% 0.0% Analogic Corporation \$83.60 82% \$1,053 \$888 1.9x 1.9x 10.4x 9.7x 20.2x 18.9x 2.2x 41% 10% -15% NA -- 7% 0% 280% 0.5% AngioDynamics, Inc. \$20.62 99% \$772 \$811 2.3x 2.3x 13.2x 12.0x 23.4x 21.9x 1.4x 51% 14% 0% 0.6x 17% 7% 2% 326% 0.0% CONMED Corporation \$68.38 98% \$1,954 \$2,391 2.8x 2.7x 16.8x 15.7x 31.5x 28.4x 3.0x 54% 16% 9% 3.1x 71% 11% 5% 258% 1.2% Globus Medical, Inc. \$54.46 100% \$5,473 \$5,104 7.3x 6.7x 21.2x 18.7x 35.8x 32.1x 5.3x 77% 32% 18% NA -- 12% 9% 276% 0.0% Haemonetics Corporation \$90.66 99% \$4,909 \$4,983 5.4x 5.0x 22.3x 16.9x 45.1x 33.7x 6.5x 46% 17% 5% 0.3x 34% 34% 8% 100% 0.0% Integra LifeSciences Holdings Corporation \$63.78 98% \$5,092 \$6,732 4.5x 4.3x 18.8x 17.0x 26.6x 23.5x 5.1x 65% 23% 5% 4.6x 184% 13% 6% 177% 0.0% ICU Medical, Inc. \$276.75 98% \$5,922 \$5,653 4.1x 3.9x 21.5x 17.8x 56.4x 35.3x 4.8x 40% 18% 1% NA -- 60% 4% 59% 0.0% Masimo Corporation \$99.12 99% \$5,501 \$5,131 6.0x 5.7x 21.0x 19.8x 34.3x 32.6x 7.2x 67% 27% 15% NA -- 5% 6% 636% 0.0% Merit Medical Systems, Inc. \$53.55 98% \$2,780 \$3,132 3.7x 3.4x 22.0x 18.1x 32.5x 28.2x 4.0x 45% 15% 2% 2.5x 56% 15% 8% 186% 0.0% NuVasive, Inc. \$50.06 61% \$2,564 \$3,133 2.9x 2.7x 10.5x 9.6x 20.5x 17.9x 3.4x 73% 22% 4% 1.9x 84% 15% 6% 123% 0.0% Nxstage Medical, Inc. \$27.51 92% \$1,825 \$1,777 4.1x 3.7x 66.5x 32.6x NM 262.0x 8.2x 43% 4% -4% NA 7% NM 13% NM 0.0% Omnicell, Inc. \$45.85 83% \$1,820 \$1,984 2.5x 2.3x 16.0x 13.3x 23.4x 19.1x 3.2x 46% 9% 4% 1.3x 36% 23% 10% 84% 0.0% Insulet Corporation \$92.83 98% \$5,429 \$5,650 9.8x 8.0x 168.6x 76.4x NM 278.9x 31.8x 60% 2% -5% 6.6x 336% NM 22% NM 0.0% Median \$63.78 98% NA \$2,780 \$3,133 NA 4.1x 3.7x 21.0x 17.0x 32.0x 30.2x 5.1x 51% 16% 4% 2.5x 34% 14% 6% 222% 0.0% Mean \$95.06 92% NA \$4,244 \$4,376 NA 5.5x 4.9x 35.4x 23.5x 39.0x 66.0x 8.1x 55% 16% 4% 2.6x 75% 19% 9% 235% 0.1% Natus Medical Incorporated \$36.05 83% \$1,181 \$1,246 2.3x 2.2x 17.1x 16.4x 22.6x 19.3x 2.8x 58% 7% -5% 0.9x 31% 18% 4% 109% --

40 voce capital Voce's involvement became public on March 20, 2018 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion "An activist investor thinks BABY needs some adult supervision . Voce Capital Management LLC nominated two directors to Natus Medical Inc . 's board on Tuesday , according to people familiar with the matter, launching a fight over decision - making at the \$ 1 billion neurological and infant diagnostics company whose stock ticker is BABY . " – "Coffee - Shop Spat, Weak Guidance Lead to Board Fight at Natus Medical," The Wall Street Journal, March 20 , 2018 (David Benoit) "Voce was told to meet with Mr . Hawkins and Chief Financial Officer Jonathan Kennedy, and the company suggested an already - scheduled sit down at the Roth Capital Partners Conference in March would work . Mr . Plants said that meeting, at a hotel coffee shop in Laguna Beach, Calif . , wasn't appropriate for the topics he wanted to discuss, the people said . When Voce's analyst arrived without Mr . Plants, Natus executives questioned how serious Voce's concerns were if he didn't come to the meeting, the people said . When the analyst tried to steer the conversation toward capital spending in the diagnostic unit, Mr . Hawkins reacted sharply ; he defended the spending and repeatedly called Mr . Plants an 'idiot,' the people said . Mr . Plants felt the meeting was the last straw in attempting to engage collaboratively and set in motion the board fight, the people said . " – "Coffee - Shop Spat, Weak Guidance Lead to Board Fight at Natus Medical," The Wall Street Journal, March 20 , 2018 (David Benoit)

41 voce capital Unaffected stock price Intraday Natus Trading History (03/20/18) \$32.00 \$32.50 \$33.00 \$33.50  
\$34.00 \$34.50 6:30 AM 6:45 AM 7:00 AM 7:15 AM 7:30 AM 7:45 AM 8:00 AM 8:15 AM 8:30 AM 8:45 AM 9:00  
AM 9:15 AM 9:30 AM 9:45 AM 10:00 AM 10:15 AM 10:30 AM 10:45 AM 11:00 AM 11:15 AM 11:30 AM 11:45  
AM 12:00 PM 12:15 PM 12:30 PM 12:45 PM 1:00 PM 10:18am PDT: 1 st public reference to the WSJ article  
highlighting Voce's involvement Given the strong and immediate rally following the WSJ's article, Voce believes the  
unaffected stock price for Natus should be the March 19, 2018 closing price (\$32.80 per share) Regulatory  
Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth  
Conclusion 3.1% Move

42 voce capital -4.00% -2.00% 0.00% 2.00% 4.00% 6.00% 8.00% 10.00% 6:30 AM 9:45 AM 6:30 AM 9:45 AM 6:30 AM 9:45 AM BABY SPY IWM +9.45% - 1.64% - 2.52% WSJ story comes out at 10:18am PST Unaffected stock price (cont.) 3 Day Trading History: March 20 – 22 (Natus vs. Indices) The 3 - day trading history corroborates the WSJ story as the tipping point, further warranting March 19 as the unaffected stock price Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion





voce capital Opportunity #1: Reform corporate governance

45  
voce capital Natus' corporate governance is grossly deficient: Summary The Board is aged and over - tenured The Board has repeatedly filed false and misleading governance documents with the SEC The Board has been silent as to what steps, if any, it has taken to investigate serious securities fraud allegations pending against CEO Hawkins Limited ownership by independent directors and inveterate insider selling betray a lack of confidence in Natus prospects and a stark misalignment with stockholders Staggered Board, limiting accountability Nominating and governance processes highly insular Board has demonstrated an unwillingness or inability to oversee and hold CEO Hawkins accountable Board has shown disinterest and, at times, hostility towards stockholders Chairman Robert Gunst wields disproportionate power, and appears to either misunderstand – or simply have no interest in – his responsibilities as Independent Chairman Executive compensation is excessive, poorly designed and misaligned with stockholder interests We believe these severe governance defects demonstrate that the Board has been captured by CEO Hawkins, compromising its independence and limiting its ability to fulfill its core fiduciary duties We see serious issues with the structure, composition, alignment, leadership and independence of Natus' Board Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

46 voce capital Do Natus' leaders have a problem with the truth? Deeply concerning allegations of securities fraud are pending against CEO Hawkins. Recently published opinion from Federal District Court details allegations of serious and repeated "materially misleading statements" by CEO Hawkins to Natus stockholders – A group of Natus investors brought a lawsuit against Company and CEO Hawkins alleging violations of federal securities laws. CEO Hawkins is alleged to have misstated the timing of payments due under the Venezuela Ministry of Health contract to hide the fact that Venezuela had already defaulted on \$46 million in payments, according to Court's opinion. Litigation is ongoing, with next court hearing on August 10, 2018. Voce demands that Natus' Board disclose what steps it has taken to investigate serious securities law violations that have been alleged against CEO Hawkins. "Hawkins represented to investors in November and December that [Natus] expected to receive the Supply Contract's first prepayment by the end of 2015 ... [H]awkins' statement omitted the fact that the [Venezuelan] Ministry of Health was required to make prepayments in October, November, and December 2015. This omission was significant because at the time Hawkins made his November and December statements, the Ministry of Health had defaulted on its first and second prepayments, respectively ... [H]awkins' statement was more than just incomplete; rather ... [H]awkins made materially misleading statements by effectively hiding ... the Ministry of Health's default from investors." "[P]laintiff also challenges [Natus'] subsequent touting of that increased guidance during November and December. During the healthcare conferences held during these months, Defendant Hawkins allegedly reiterated the increased guidance and lauded the Supply Contract as one reason for this. Plaintiff has adequately alleged that these statements were materially misleading ... [A]t the time Defendant Hawkins made these statements, the Ministry of Health had defaulted on its prepayments under the Supply Contract, thus undercutting the basis for that guidance. Defendant Hawkins, however, did not disclose this fact to investors, thus rendering his statements misleading." Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

47 voce capital Do Natus' leaders have a problem with the truth? (cont.) Natus' Board has made false and misleading statements in its Proxy for the past five years, materially misrepresenting the Director nomination deadline – The Company's Amended and Restated Bylaws Corporation, dated March 22, 2012 (the "Bylaws"), reveals that this purported deadline is patently false: – Last year's annual meeting occurred on June 21, 2017 and the true nomination date for the 2018 Annual Meeting was therefore April 21, 2018 – not December 26, 2017. – Wasn't corrected until 2018 after Voce pointed this out in our April 23 rd letter – Has repeatedly understated Chairman Gunst's age (70) by several years in previous Proxies Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion "A stockholder that instead desires to nominate a person directly for election to the Board must meet all of the deadlines and information requirements set forth in Section 2 . 3 (c) of the Company's Bylaws and the rules and regulations of the Securities and Exchange Commission . For next year's annual meeting of stockholders, any such nomination must be received by the Company not later than the close of business on December 26 , 2017 ... " – Natus Proxy (April 28 , 2017 ) "Sec 2 . 3 c) Only persons who are nominated in accordance with the procedures set forth in this paragraph (c) shall be eligible for election as Directors .... Such nominations ... shall be made pursuant to timely notice in writing ... in accordance with the provisions of paragraph (b) of this Section 2 . 3 . " "Sec 2 . 3 b) To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty ( 60 ) calendar days in advance of the date specified in the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders"

48 voce capital Over - tenured board \*\* Mr. Moore announced his retirement after Voce's submission of nominations  
Director Age Years on Board Current Employment Previous Employment (Final Year) Doris E. Engibous 63 14 None  
CEO of Hemosphere (2010), President of Nellcor William M. Moore \*\* 69 29 CEO of Iridex CEO of WhiplashNatus  
Co-founder and CEO; VP of Marketing at Arzco Medical James B. Hawkins 62 14 CEO of Natus CEO of Invivo  
Robert A. Gunst 70 14 None CEO of The Good Guys (1999) Kenneth E. Ludlum 64 16 None CFO of CareDx (2016),  
CFO of Endogastric, CFO of Perclose, CFO of Alteon Barbara R. Paul 64 2 None CMO of CHS (2016), CMO of  
Beverly Enterprises, Physician Average 65 15 2018 2019 2020 Directors Engibous and Gunst, whom we are seeking  
to replace, have been retired from active employment for 13 years on average; Gunst hasn't held another public Board  
seat in more than a decade and Engibous never has Regulatory Profitability Cessation of M&A Underperformance  
Overview Summary Compensation Governance Organic Growth Conclusion

49 voce capital Buy / Sell History Last 10 Years Lack of alignment Veteran Director Engibous has never purchased a share of Natus stock and has sold more than 75% of the shares granted to her Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Purchases Sales Ownership Person Shares Most Recent Shares Most Recent Net Sold Shares % Board of Directors Doris Engibous -- NA (73,969) May-17 (73,969) 21,750 0.1% Robert A. Gunst 23,372 May-18 (61,214) Sep-17 (37,842) 55,850 0.2% James B. Hawkins 40,000 Jun-17 (972,154) Nov-15 (932,154) 639,257 1.9% Kenneth E. Ludlum 338 Mar-18 (23,247) Mar-18 (22,909) 89,825 0.3% William M. Moore 41,088 Mar-17 (98,955) May-18 (57,867) 123,962 0.4% Barbara R. Paul -- NA -- NA -- 7,460 0.0% Total Directors 104,798 (1,229,539) (1,124,740) 938,104 2.8% Independent Directors 64,798 (257,385) (192,587) 298,847 0.9%

50 voce capital Dysfunctional nominating and governance process After Voce's submission of nominees and public letter to stockholders, Natus announced a change to its Board – Long - time Director Moore, whose tenure (29 years) Voce questioned in its letter, announced his intention to retire – Natus announced in its Preliminary Proxy it was nominating Robert Weiss to fill Moore's seat Despite the submission of four different Voce nominees in the past two months, Natus never offered to interview Voce's nominees before recommending against them We have real concerns about Mr. Weiss' independence as a Director – Mr. Weiss, 71, is now retired – We understand he accepted the nomination because Natus is a 5 - minute drive from his home – Despite touting Mr. Weiss as independent during our failed settlement negotiations, Natus refused to allow Voce to interview Mr. Weiss – It was Mr. Hawkins who identified Mr. Weiss and recruited him to join the Board Natus initially omitted this key fact from its Preliminary Proxy – Mr. Weiss, Mr. Hawkins and Mr. Kennedy all live within the same residential compound in Natus' hometown The Board has indulged CEO Hawkins' desire to hold multiple outside Board seats – at one time he had three concurrent outside Board seats Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion



51 voce capital Mere coincidence? According to the club's website, it offers "unlimited opportunities for socializing...and networking." Nominee Weiss, CEO Hawkins and CFO Kennedy are all neighbors in a certain "exclusive gated golf course community" in Pleasanton, CA 0.3 miles 0.4 miles 0.6 miles Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

52 voce capital CEO Hawkins' dubious outside Board service CEO Hawkins has sat on many outside boards over the years while serving as Natus' CEO CEO Hawkins served as a Director on the Iridex Board with Natus Co - founder, and Natus Director, William Moore for seven years – Included two years while Mr. Moore was CEO of Iridex and was Chairman of the Natus Compensation Committee – Inter - locking Directorships raise serious conflict - of - interest concerns Mr. Hawkins violated Natus' outside board limitation imposed on the CEO (two seats max) Stockholders are entitled to ask: How is Natus benefitted from having its CEO devoting so much time to outside professional activities? Recently disclosed that it is the subject of a criminal investigation by the SEC and DOJ for violations of the Foreign Corrupt Practices Act ; OSI has also disclosed that its officers and directors are being investigated for insider trading in its securities. CEO Hawkins' most recent Board seat is Eldorado Resorts, which according to its website is “a leading casino entertainment company that owns and operates twenty properties” in regional venues such as Bettendorf, Iowa; Lula, Mississippi; and New Cumberland, West Virginia Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

53 voce capital Board has been indifferent to stockholder concerns Natus' Board has several times rejected Voce's requests to meet – In 2015, Board refused to meet with Voce because, according to management, it didn't like the "optics" of a stockholder meeting the Board – The Board rejected and then delayed meeting with Voce in 2018 until The Wall Street Journal reported that Voce had nominated directors The Board tried to prevent, then limit, Voce's access to the Board without CEO Hawkins present Chairman Gunst communicated with Voce only through CEO Hawkins' assistant – we still have no contact information for Gunst When Voce did meet with three Directors in 2018 – including Chairman Gunst – they refused to speak or engage, announcing they were in "listen - only" mode The prescribed shareholder communication vehicle leads to a dead - end: "Any stockholder of Natus or any other party interested in communicating with the Board may contact any of our directors by writing to them c/o Natus Medical Incorporated, 6701 Koll Center Parkway, Suite 120 , Pleasanton, CA, 94566 . Stockholders may also communicate with the Board on a confidential basis by sending an email to BoardofDirectors@natus . com . " – Natus Proxy ( 4 / 28 / 17 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

54 voce capital Chairman Robert Gunst Chairman Gunst has no healthcare expertise, has been retired for almost twenty years and hasn't sat on another public company Board in more than a decade. His stale experience is of little value to Natus, in our opinion. "Several years of rocky financial performance by consumer electronics retailer The Good Guys Inc. has led to the resignation of CEO Robert Gunst." - Silicon Valley Business Journal (April 25, 1999) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Chairman Gunst joined the Board the same year as CEO Hawkins – 2004 Age: 70 (understated his age in Natus' Proxy Statement for the past 3 years) Gunst wields inappropriate power – Has been Chairman continuously since 2004 – Sits on every standing Board committee Gunst not aligned with stockholders – Owns very little stock – Has been a net seller of Natus shares – Twice refused to meet with Voce Gunst has stale and dated experience, in our view – Zero healthcare experience – Has been retired since 1999 – Hasn't sat on another public Board in over a decade

55 voce capital Chairman Gunst just doesn't get it "We are deeply concerned by recent events at Natus and the accompanying destruction in stockholder value . . . . [We] urgently need to hear directly from the Board regarding its plans for protecting and maximizing stockholder value . Accordingly, we request an in - person meeting with the Company's Chairman, Mr . Gunst, and as many of the other independent directors as are available and wish to join the meeting, as soon as possible (but in no event more than two weeks from the date of this letter) . We're available to meet anywhere convenient for Mr . Gunst . " – Voce Letter to Board (March 1 , 2018 ) "I have delivered the letter to our Board chair, Robert Gunst . . . . Mr . Gunst has asked us to convey that Jonathan [Kennedy, CFO] and I are the representatives of the company . . . [We] will share any valuable observations or concerns with our Board . " – CEO Hawkins Letter to Voce (March 7 , 2018 ) "[O]ur letter was specifically and purposefully addressed to the Board of Directors of Natus . Yet the March 7 response came not from the Board but from James Hawkins, the Company's President and CEO . Second, our letter was addressed to the entire Board rather than any individual Director . . . . Yet Mr . Hawkins' reply indicated that the letter was not shared with the full Board, but instead only with Mr . Gunst . Third . . . we are troubled to learn that the Board's independent Chairman feels he is not obligated to meet with concerned stockholders or that he can offload those duties to Company employees . . . . Mr . Gunst's attempted delegation of this core director responsibility to the management team, particularly by an independent Chairman, is unacceptable . . . . Finally, it is inappropriate to include management, let alone to insert it as a filter, into stockholder efforts to directly engage the Board on topics that include the performance of management itself . . . . We cannot comprehend how a dialogue between stockholders and the Board regarding management performance, accountability and Board oversight can be effectively or candidly communicated through management as the intermediary . " – Voce Letter to Board (March 8 , 2018 ) " Following the Board's receipt of your March 8 letter, we had directed Mr . Hawkins and Mr . Kennedy to respond . . . . " – Chairman Gunst Letter to Voce, March 14, 2018 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

56 voce capital Chairman Gunst just doesn't get it (cont.) "Thank you for clarifying the attendance at tomorrow's meeting, which information we've been requesting for the past several days.... [W]e were surprised to see from your letter that you propose to invite Mr. Hawkins to participate in this discussion. As we have made explicit in every communication with the Board, our stated objective is to meet with the independent directors of Natus. We have met with Mr. Hawkins many times over the previous five years – including as recently as two weeks ago – and our agenda for tomorrow's meeting will focus only on issues that are within the exclusive province of the independent directors, who as you should be aware perform a very different role from that of management representatives on the Board." – Voce Letter to Board (March 26, 2018) "You'll recall from our first letter almost a month ago that our objective was 'to hear directly from the Board regarding its plans for protecting and maximizing stockholder value' at Natus. As we stated at the outset of our meeting, the discussion we had hoped to have with you was intended as a vital input as we decide upon our next steps. Unfortunately, you were adamant from the beginning of the meeting that you wouldn't answer our questions nor share any insight regarding the Board's discharge of its corporate governance responsibilities. We patiently tried to engage you in a variety of ways, posing specific queries (supported by data) as well as open-ended questions to provide you an opportunity to assure us as to the Board's effective functioning. Yet you offered us no such comfort nor furnished us with any information at all. After approximately 30 minutes of fruitlessly trying to draw you into conversation, the meeting ended. 'Listen - only mode' may or may not be good tactical direction from your advisors, but it doesn't foster confidence nor engender trust. The bottom line is that we offered you a forum to reassure us that you are representing the best interests of Natus' stockholders with faith and care, and rather than engage with us you elected to 'take the Fifth' – which points us toward only one conclusion." – Voce Letter to Chairman Gunst (March 28, 2018) "We have now made two substantive, specific written requests to meet with the Board of Natus; neither were successful. Given the Board's perplexing, unexpected and continued intransigence – and Mr. Hawkins' unprofessional conduct – we have no choice but to nominate Director candidates at the 2018 Annual Meeting of Stockholders ... " – Voce Letter to Board, March 20, 2018 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

57 voce capital Chairman Gunst's preminent focus appears to us to be the retention of power This disturbing fact pattern is further evidence of deep entrenchment, in our view Gunst has been Chairman of the Board since 2004 and sits on all three standing committees Natus has understated in the Company's Proxy Statement Mr. Gunst's true age (70) for the previous three years Previous settlement discussions broke down over one main issue : The Board's unwillingness to accept any change in Gunst's role Voce agreed to the appointment of a subset of its nominated slate – Voce's written settlement proposal gave Mr. Gunst two choices A. Retire I. Relinquish his Board seat II. New Independent Director would be appointed by the Nominating and Governance committee B. Remain as a director but, I. Relinquish Chairman role II. Resign from the Compensation and Nominating & Governance committees III. A second Voce Director would be appointed to the Board Natus broke off negotiations and filed the Company's Proxy rather than even discuss either option with Voce Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

58 voce capital Reconstitute the Nominating and Governance Committee – Specifically provide for it to be able to obtain independent legal advice separate and apart from regular Company counsel Institute stock ownership guidelines for Directors Conduct a comprehensive assessment, with the help of an outside consultant, of the Board’s corporate governance and the effectiveness of each individual Director and every committee Strictly limit Natus CEO to service on only one outside Board Commit to recommend and put to a vote at the 2019 Annual Meeting a binding proposal to immediately de - stagger the Board so that all Directors must stand for reelection every year beginning in 2020 (the first year possible) Establish an appropriate – and functioning – channel for Natus stockholders to contact the Board Governance: Recommended “Starter Kit” for New Board Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion



voce capital Opportunity #2: Refocus on operational fundamentals

voce capital A. Return to organic growth

voce capital “Our concern still revolves around the lack of consistent organic revenue growth . . . [T]he year is more back - end loaded than we originally thought and Natus remains a ‘show me’ story in the near - term .” – Jason Bedford, Raymond James (April 26 , 2018 )

62 voce capital Historical revenue contribution Deterioration in organic growth concerning Years Ended December 31, CAGR \$mm 2012A 2013A 2014A 2015A 2016A 2017A '12-'17 Neurology (Base) \$168 \$224 \$233 \$229 \$227 \$218 5.3% Y/Y Growth 33.1% 4.0% (1.6%) (0.7%) (4.2%) GND -- -- -- 8 11 15 Integra -- -- -- -- 11 Total Neurology \$168 \$224 \$233 \$237 \$239 \$243 7.7% Y/Y Growth 33.1% 4.0% 2.0% 0.5% 1.9% Newborn care (Base) 124 120 122 125 103 86 (7.2%) Y/Y Growth (3.0%) 1.4% 2.4% (17.7%) (16.8%) California Screening -- -- -- 2 5 5 Peloton -- -- 1 7 13 15 PF Newborn care (Ex. Cannibalization) \$124 \$120 \$123 \$135 \$121 \$106 (3.2%) Y/Y Growth (3.0%) 2.3% 9.3% (10.4%) (12.4%) Venezuela 9 11 NicView -- -- -- 4 6 9 Retcam -- -- -- -- 7 18 Total Newborn Care \$124 \$120 \$123 \$139 \$143 \$144 3.0% Y/Y Growth (3.0%) 2.3% 12.5% 3.5% 0.3% Otometrics 114 Y/Y Growth Revenue \$292 \$344 \$356 \$376 \$382 \$501 11.4% Y/Y Growth 17.7% 3.4% 5.6% 1.6% 31.2% Other Stats % International 44.2% 42.0% 39.4% 35.6% 34.4% 45.9% Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

63 voce capital Historical earnings growth drivers Historical reliance on acquisitions Previous sources of margin growth have reversed Moderate tax rate benefits Recent share repurchases helping keep share count relatively flat Gross margin improvement (57% - 63% from 2012 until 2015) boosted by one - time facility consolidation Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Earnings % of Growth '12 - '15 '15 - '17 '12 - '15 '15 - '17 Starting EPS \$0.64 \$1.55 Organic Growth \$0.02 (\$0.07) 3% (4%) Acquisition Growth \$0.17 \$0.59 26% 38% Overall Revenue Growth \$0.19 \$0.52 30% 34% Gross Margin \$0.51 (\$0.29) 79% (19%) Operating Margin \$0.40 (\$0.35) 62% (23%) Change in Interest and Other (\$0.01) (\$0.05) (1%) (4%) Tax Rate (\$0.01) \$0.07 (1%) 5% Share Count (\$0.18) \$0.01 (28%) 1% Ending EPS \$1.55 \$1.46 142% (6%)

voce capital B. Cessation of roll - up strategy

65 voce capital Merely getting bigger is not a strategy Natus has never offered a justification for its revenue aspirations Natus has consistently moved the goal posts without justifying or explaining the strategy Doing deals to compensate for weakness in the core business is irresponsible No synergy or strategy benefit between business units “As far as the \$ 350 million and the \$ 1 billion, we just feel that if you don’t set a goal you’re not going to get there . When Natus was \$ 30 million, we set a \$ 100 million goal, and once we hit that, we set \$ 250 million . And then those of you who follow this we set \$ 500 million, and we’ve achieved those goals and now we’re setting \$ 1 billion . ” CEO Hawkins ( 06 / 22 / 17 ) “Over the last five years ... with the growth in the marketplace being minimal, or in some of our markets even being down, we focused on acquisitions, and we did a number of acquisitions ... ” CEO Hawkins ( 05 / 13 / 14 ) “We are now, today, officially putting our next goal out there for 2014 , to hit \$ 500 million in revenues . It’s quite a target, but it was quite a target when we were \$ 30 million 6 years ago to get to \$ 250 million . ” CEO Hawkins ( 01 / 10 / 11 ) “They really are, for the most part, 2 separate business units . They’re operated separately, their own separate sales channels ... . [S]o they are run separately, and they're just 2 great businesses . ” CEO Hawkins ( 09 / 12 / 16 )  
Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance  
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66 voce capital Natus has been built almost entirely through acquisitions Recent large acquisitions vs. smaller tack - on acquisitions Sum total of acquisition revenue represents almost 100% of 2017 total revenues "Third Leg" Natus has created no net real value despite >\$500mm of capital invested in M&A "Fourth Leg": Different call point with separate sales force

Year	Acquired Company	Neurology	Newborn	Other	Price	Revenue
2017	Integra Neuro	x \$48				\$50
2017	Otometrics	x \$145				\$100
2016	Retcam	x \$11				\$14
2016	Neuroquest	x \$5				\$3
2015	GND	x \$11				\$7
2015	NicView	x \$1				\$1
2013	Grass Technologies	x \$19				\$19
2012	Nicolet	x \$58				\$95
2011	Embla	x \$16				\$30
2010	Medix	x \$19				\$26
2009	Alpine Biomed	x \$43				\$33
2009	Hawaii Medical	x \$3				\$3
2008	Neurocom	x \$18				\$11
2008	Schwarzer Neurology	x \$7				\$9
2008	Sonamed	x \$9				\$4
2007	Xltek	x \$65				\$34
2006	Olympic	x \$19				\$16
2006	Deltamed	x \$4				\$5
2006	Biologic	x \$69				\$32
	Total	\$569				\$492

Regulatory Profitability Cessation of M&A Underperformance Overview Summary  
Compensation Governance Organic Growth Conclusion



67 voce capital A pattern of botched integrations What CEO Hawkins Said What Actually Happened (CEO Hawkins quotes) General M&A Otometrics Integra General M&A: Pre - 2013 acquisitions disappointed Otometrics Integra  
“You’ve got to buy things right, you’ve got to integrate them, you’ve got to operate them, grow them and get them into our Natus’ profit operating margins .” ( 1 / 28 / 15 ) “If you go back a few years ago when Jonathan joined us, we were in this basic position, but, in fact, it was a lot worse when he joined us . I think we were 8 % or 9 % operating margins, so we ended up getting them to almost 19 % .” ( 2 / 7 / 18 ) “We believe [it] can be a 20 % operating margin business” ( 1 / 10 / 18 ) “We have set an operating goal for all of Otometrics of ... 20 % in 2018 ” ( 2 / 1 / 17 ) “[W]e have certainly invested a lot more in Otoscan than what we had originally thought ... . So we’ve ... brought [operating margin expectations] down into the 15 % to 16 % range ... ” ( 2 / 7 / 18 ) “[W]e implemented Oracle ... at Otometrics ... . It resulted in not being able to take orders and deliver products ... ” ( 2 / 7 / 18 ) “As we go forward, it will be to our margins of at least 20 % , pretax margins, with we think some growth opportunities and will give us the ability to add on additional products .” ( 01 / 10 / 18 ) “Integra business in this transition besides buying it at peak revenues, which was a big year for them ... we do expect to have some business fall off” ( 10 / 25 / 17 ) “[W]e hired and trained a new neurosurgery sales force” ( 04 / 25 / 18 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Natus acknowledged a Material Weakness in its 2017 10 - K because it “did not perform an effective risk assessment relating to significant acquisitions”

68 voce capital Natus' acquisition model has failed to deliver scale benefits Gross Margin: Operating Margin: ROIC 1:  
63% 13% 25% 60% 13% 11% "Our improved operating margin has been driven by increased operating leverage and  
efficiencies as a result of our acquisition strategy ... " – CEO Hawkins ( 10 / 24 / 13 ) Really?? \$43 \$501 \$ -- \$100 \$200  
\$300 \$400 \$500 \$600 2005 2017 Revenues (\$mm) Regulatory Profitability Cessation of M&A Underperformance  
Overview Summary Compensation Governance Organic Growth Conclusion 1. Normalizes Natus tax rate from 8% in  
2005 to 22% rate used in 2017 calculation

69 voce capital Natus employs a flawed acquisition methodology “Better to buy a great business at a fair price than a fair business at a great price.” – Warren Buffett CEO Hawkins’ bottom - fishing technique is highly unusual “[W]e have a very unique acquisition strategy ... [W]e have a very strict discipline that we’ve always adhered to when we do acquisitions, and that is we pay ½ of the revenues as to what we’re trading at .” – CEO Hawkins ( 1 / 16 / 14 ) “We’re very disciplined that ... not only do we want it to be accretive in our first full quarter of ownership, but we also look to buy companies at a right valuation . We’ve used the metric to buy them at ½ of the value that we’re trading at, based upon revenues .” – CEO Hawkins ( 10 / 19 / 12 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion In contrast...

70 voce capital CEO Hawkins has told stockholders to expect more of the same Natus 2017 Analyst Day Slide : “Drive to \$1Bn” “[W]ith the \$ 1 billion goal we have set, the 5 - year goal is certainly intact and we are driving to that ... . Why \$ 350 million is the right number? Well, we pick a goal out there, and those of you that have followed Natus for some time, I think, our first goal was \$ 100 million, and then it went to \$ 250 million and then \$ 500 million last year, which we achieved ... . And it’s worked for us, I would say, successfully in the past and we’ve been one of the fastest - growing medical device companies out there in the last 14 years, and we hope to keep that trend going . ” – CEO Hawkins (April 25 , 2018 ) “[W]e do plan to continue to acquire and partner with companies and products in the future to strengthen and expand our markets . ” – CEO Hawkins (April 25 , 2018 ) “As we go forward, we’re going to drive to a \$ 1 billion in 5 years . That’s our goal . And this chart, what it shows is that we’re going to be using -- doing some of this through organic growth and some through acquisitions ... . [Y]ou can see that ... we’ll have to buy about \$ 350 million of business that will fit into Natus ... . [I]t’s something that can happen and we’re driven to make it happen . ” – CEO Hawkins (June 22 , 2017 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

71 voce capital Risks from M&A strategy are increasing As Natus has grown, it must do larger deals to move the needle – Otometrics (#1) and Integra neurosurgery assets (#3) among the largest deals ever – \$1 billion plan requires \$350 million of acquisition revenues and at least \$425 million of capital Now willing to participate in competitive auctions at the risk of pricing discipline Core businesses (with 60%+ market shares) are saturated – new “legs” to stool inherently riskier Significantly larger amounts of leverage required to fund ongoing deal spree – Natus has run with net cash balances from 2013 – 2016, when it bought Otometrics – Excess cash has historically been used for share repurchases Significant accounting issues – Natus admitted that it “did not perform an effective risk assessment relating to significant acquisitions, and as a result we did not adequately design control activities over the accounting for the acquisition of Otometrics.” – Natus concluded that “the control deficiencies represent a material weakness in our internal control over financial reporting as of December 31, 2017.” “[W]e don’t typically get in competitive bidding situations . ” ( 1 / 28 / 15 ) “We completed a roll - up of the neurodiagnostic business over the last decade . Before the roll - up there were many competitors in the space . Few of them made any money, which really provided very little money to go into R&D and to rationalize the products that were in the market . Natus is now one of the very small number of players in the neurodiagnostics space that now have the resources and the market share to make better products to lower cost and increase margins . ” ( 05 / 24 / 16 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

voce capital C. Enhance p rofitability

voce capital “[W]e still have questions on margin expansion, the lack of organic growth in the second quarter, and the required ramp - up in the second half of 2018 in order to hit the full - year target . With these overhangs . . . . we would wait until there is confidence on operating margin expansion, be it from better top - line growth driving leverage or from straight out aggressive cost - cutting measures (we favor the former but believe there is a lot of opportunity and a greater likelihood to see the latter) . . . . There seems to be a lot of buzz around the Otoscan launch, but we are still less bullish than management as we try to understand the commercial model . ” – Brian Weinstein, William Blair (April 25 , 2018 )

74 voce capital 14% 16% 19% 18% 13% 9% 14% 4% 6% 8% 10% 12% 14% 16% 18% 20% 2013 2014 2015 2016  
2017 1Q18A 2018E Opportunity #4: Expand Natus' operating margins Natus' operating margins expanded through  
2015 after limiting meaningful M&A, but have since contracted and are expected to remain depressed at least through  
2018 Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance  
Organic Growth Conclusion 2018 estimated margins appear challenging based on 1Q18 ?



75 voce capital Recent gross margin headwinds Recent M&A and regulatory issues have slowed down integrations of past acquisitions, severely impacting gross margins Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion 57.1% 59.6% 61.1% 62.6% 62.3% 60.0% 59.4% 40.0% 45.0% 50.0% 55.0% 60.0% 65.0% 2012 2013 2014 2015 2016 2017 2018E

76 voce capital 8.6% 8.4% 8.1% 8.6% 8.8% 10.0% 6.0% 6.5% 7.0% 7.5% 8.0% 8.5% 9.0% 9.5% 10.0% 2013 2014  
2015 2016 2017 2018E R&D as % of Revenue Uncertain and unproven new investment cycle beginning Step - up in  
2018 largely due to new product launch costs from Otoscan, estimated to be at least \$8mm in 2018 ~\$8mm or \$0.19  
EPS Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance  
Organic Growth Conclusion

77 voce capital Lack of operating expense leverage Regulatory Profitability Cessation of M&A Underperformance  
Overview Summary Compensation Governance Organic Growth Conclusion 42.0% 42.5% 43.0% 43.5% 44.0%  
44.5% 45.0% 45.5% 46.0% 46.5% 47.0% \$ -- \$50 \$100 \$150 \$200 \$250 2015 2016 2017 % of Revenue Non - GAAP  
Opex Despite growing revenues by over 33% from 2015 to 2017, Natus has experienced negative leverage on its  
operating expenses

78 voce capital Natus' operating expense exceeds peer average Natus' SG&A % of Revenue vs. Peers Natus' R&D % of Revenue vs. Peers Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion 23% 24% 26% 31% 31% 31% 34% 35% 35% 40% 42% 42% 44% 45% 45% 52% 36% -- 10% 20% 30% 40% 50% 60% ALOG ICUI ARAY HAE MMSI ANGO NXTM MASI OMCL BABY CNMD GMED IART PODD ABMD NUVA Peer Avg. SG&A (% of revenue) 4% 4% 4% 5% 5% 7% 7% 7% 8% 9% 10% 10% 13% 13% 14% 16% 8% -- 2% 4% 6% 8% 10% 12% 14% 16% 18% HAE ICUI CNMD NUVA IART GMED MMSI ANGO MASI OMCL NXTM BABY ABMD ALOG ARAY PODD Peer Avg. R&D (% of revenue)

79 voce capital Natus' revenue growth does not justify incremental operating expenses Natus' Opex % of Revenue vs. Peers Natus' Expected Organic Revenue Growth vs. Peers Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion 27% 34% 37% 38% 38% 39% 42% 44% 45% 46% 49% 49% 50% 57% 58% 61% 44% -- 10% 20% 30% 40% 50% 60% 70% ICUI HAE ALOG MMSI ANGO ARAY MASI OMCL NXTM CNMD GMED IART BABY NUVA ABMD PODD Peer Avg. Opex (% of revenue) 0% 2% 4% 4% 5% 5% 6% 6% 6% 8% 8% 9% 10% 13% 22% 27% 9% -- 5% 10% 15% 20% 25% 30% ALOG ANGO ICUI BABY CNMD ARAY IART NUVA MASI HAE MMSI GMED OMCL NXTM PODD ABMD Peer Avg. Revenue Growth

80 voce capital R&D efficiency: ~\$150mm invested over 5 years for \$6mm of organic growth Annual Organic Revenue (Y+1) <sup>1</sup> (\$13) \$10 \$12 (\$4) \$0 (\$2) Note: Numbers may not sum or calculate properly due to rounding figures to whole numbers 1. Represents the organic revenue \$ growth for the year following the R&D investment year Natus' Annual R&D Investment Natus' expected return on its aggressive new R&D program is debatable given the anemic yield on its prior investments Cumulative: ~\$150mm invested for ~ \$6mm of organic revenue growth Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion \$29 \$30 \$30 \$30 \$33 \$44 \$ -- \$5 \$10 \$15 \$20 \$25 \$30 \$35 \$40 \$45 \$50 2012 2013 2014 2015 2016 2017 Largely flat

voce capital D. Re - instill a culture of regulatory compliance

82 voce capital A culture of non - compliance? Natus recently lost a patent infringement case against Nox Medical (May 2018) – Jury found willful infringement by Natus – Casts doubt on Natus’ R&D process / quality Cybersecurity vulnerabilities in certain Natus products were recently discovered by Cisco “According to Cisco, an attacker with access to the targeted network can remotely execute arbitrary code on the device or cause a service to crash by sending specially crafted packets . An attack does not require authentication ... . Cisco said it reported the vulnerabilities to Natus in July 2017 , but the bugs were only confirmed in October . ” – Security Week (April 6 , 2018 ) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Recent product recall incidents: – In December 2012, the FDA issued a Class I recall of Natus Medical’s Olympic Cool - Cap System According to the FDA’s statement, “Class I recalls are the most serious type of recall and involve situations in which there is a reasonable probability that use of these products will cause serious adverse health consequences or death.” – In June 2010, Natus had to recall all Sonamed Clarity devices In its recall statement, Natus said, “Given these findings, Natus had no choice but to conclude that no adequate basis exists – even when the user manual is followed – for a reasonable and informed professional to make the choices called for above or to have any confidence in the automated screening information resulting from use of the Clarity system.” This recall occurred two years after Natus announced the completion of its acquisition of Sonamed in May 2008



83 voce capital A culture of non - compliance? (cont.) Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion “As we disclosed in our press release issued today and as a separate matter on October 15 th, we received a warning letter from the FDA related to our Olympic Medical manufacturing facility in Seattle, Washington . The letter focused on process deficiencies that were identified during an FDA inspection in April . Since our acquisition of Olympic Medical, we have implemented a number of improvements for the quality system at their facility . We are confident that the issues raised in the FDA warning letter have not impacted patient safety or the efficacy of the products manufactured by Olympic . At the same time, we take seriously the FDA’s comments and are working to address the findings identified by the FDA in their letter . ” – CEO Hawkins ( 11 / 1 / 07 ) “[W]e did put a voluntary ship hold on some newborn products up in Seattle ... . We are working through as planned to remediate and to validate all of our processes and procedures and design controls that we had communicated . We are hopeful that we will be able to ship some product in the fourth quarter ... ” ( 10 / 19 / 16 ) – CEO Hawkins ( 10 / 19 / 16 ) Natus has had two separate FDA violation letters under CEO Hawkins’ watch Natus and CEO Hawkins are presently defending allegations in Federal Court of securities fraud – One of CEO Hawkins’ outside Boards – OSI Systems – is currently under investigation by the DOJ for FCPA violations and by the SEC for insider trading by Officers and Directors

84 voce capital Seattle facility shiphold Overview Scope of issues Source: Voce research, Company filings Natus initially received an FDA warning letter in early 2015 related to the product update process approval process checklists for the NeoBlue products developed and manufactured at the Seattle facility – Initially all products were unimpacted as Natus worked to rectify the identified issues – Opex elevated as Natus brought in consultants to implement the required design and regulatory checks in place By 3Q16, the issues still were not completely rectified so the Company placed a voluntary shiphold on certain NeoBlue products – Initially represented ~\$20mm of products – NeoBlue overhead product began shipping in 1Q17 – \$3 - 4mm of products that were too small to justify spend to remediate Est. 2017 financial impact: – Revenues: ~\$8 - \$9mm – Opex: ~\$2 - \$3mm in elevated expenses Lack of controls for verifying device output met the initial design input requirements Lack of controls around documenting and verifying design changes before implementation Failure to maintain design history files (DHF) for each device Failure to maintain device master records (DMRs) for each device Failure to establish procedures for checking and implementing corrective actions for devices Inadequate service and training around handling product complaints Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

85 voce capital Immediately cease all acquisition - related activities at Natus until a complete operational and strategic review can be conducted Complete a review of all operating expenses and capital spending Establish a Board - level Enterprise Risk Committee to oversee operational, regulatory and other risks broadly Instruct the CEO, with the Board's involvement, to retain a search firm to hire a COO and a General Counsel Pause announced increase in R&D investment until comprehensive risk / reward and ROIC analyses are fully vetted – Demand greater clarity on business model for currently non - existent Otoscan market / product Operations: Recommended “Starter Kit” for New Board Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

voce capital Opportunity #3: Restructure CEO compensation

87 voce capital Compensation increases in the face of declining performance – 13% CAGR on CEO base salary since 2012 By Voce analysis, CEO pay was already at 75 th percentile ahead of another increase in 2017 to \$820K vs. median of peer group of \$675K – Stock - based grants steadily increasing with increased share dilution as stock price has fallen Compensation structure – Annual cash incentive payments based on hurdles with questionable one - time adjustments Adj. non - GAAP EPS used to calculate compensation figures added back impact of Seattle facility regulatory issues to get to 94% of target goal. Voce estimates including those costs would bring the EPS right to the 85% of target goal, which is the minimum to receive any cash bonus for the year – Exclusively time - based restricted stock grants – No equity ownership requirements – No compensation recoupment policy Recently changed vesting policies for employees 65 or older to vest immediately upon retirement – By Voce analysis, none of Natus’ peer companies structures its restricted stock vesting this way – CEO Hawkins turns 63 this year, which means his new grants have accelerated vesting Stale compensation committee – For nearly 14 years, the compensation committee had consisted of the same three individuals: Robert Gunst, William Moore and Doris Engibous \$10mm+ “Golden Parachute” for CEO Hawkins Natus’ CEO compensation is highly problematic: Summary Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

88 voce capital \$5,234,757 \$4,932,544 \$5,077,660 \$0 \$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000  
\$6,000,000 2016 2017 2018E Rich CEO compensation history in face of diminished shareholder returns Annual  
Shareholder Return (28%) 10% (14%) Russell 2000 TSR 21% 15% 3% Proxy Peers TSR 24% 26% 15% Even  
assuming no cash bonus achieved for 2018 and a flat base salary, CEO Hawkins' total compensation will already  
increase over 2017 given the large stock grants Note: 2018 returns through 3/19/18, the last day before the WSJ  
reported Voce involvement Regulatory Profitability Cessation of M&A Underperformance Overview Summary  
Compensation Governance Organic Growth Conclusion

89 voce capital Base CEO salary has increased steadily every year since 2012, far outstripping inflation and wage trends, with no signs of abatement. Compensation committee targets up to 75 th percentile compensation relative to Proxy Peers Unrelenting salary increases \$455,000 \$500,000 \$650,000 \$700,000 \$750,000 \$820,000 \$300,000 \$400,000 \$500,000 \$600,000 \$700,000 \$800,000 \$900,000 2012 2013 2014 2015 2016 2017 CEO Annual Base Salary Amount Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

90 voce capital On top of the structural issues surrounding 100% time - based vesting of stock awards, the sheer dollar amount of the stock awards in light of recent performance calls into question the independence of the Compensation Committee Guaranteed time - vested stock grants CEO Annual Stock Grants \$1,398,528 \$1,750,020 \$2,030,199 \$2,811,120 \$3,999,905 \$4,106,400 \$4,251,660 \$300,000 \$800,000 \$1,300,000 \$1,800,000 \$2,300,000 \$2,800,000 \$3,300,000 \$3,800,000 \$4,300,000 \$4,800,000 2012 2013 2014 2015 2016 2017 2018 Stock grants issued to CEO Hawkins over the last 3 years of underwhelming performance represent 1 . 0 % of the shares outstanding . Most recent stock grants along with immediate vesting upon hitting age 65 , mean they no longer are 4 - year vesting awards Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion



91 voce capital Compensation committee accountability is long overdue Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion Chairman Gunst and Director Engibous should be held accountable for Natus' poor compensation practices, in our view 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 Robert A. Gunst William M. Moore Doris Engibous Chairperson Committee Member Committee Composition Negative ISS Voting Recommendations 2015 – A vote AGAINST [the Executive Incentive Bonus Plan] is warranted given that the plan will be administered by the Compensation Committee, which is not fully independent. – A vote AGAINST William M. Moore is warranted for serving as a non - independent member of certain key board committees 2012 – A vote AGAINST William M. Moore is warranted for serving as a non - independent member of a key board committee 2009 – Shareholders should WITHHOLD votes from members of the Compensation Committee Doris M. Engibous and William M. Moore for a pay - for - performance disconnect

92 voce capital Position compensation at the median of the market – Eliminate practice of paying above - market compensation (75 th percentile) Pay for performance – Eliminate 100% time - based vesting – Link vesting to TSR and/or financial metrics such as profits and return on invested capital Replace full retirement vesting with graded vesting Institute stock ownership guidelines Enact a recoupment policy Reconstitute the membership of the Compensation Committee Select a new compensation consultant Compensation: Recommended “Starter Kit” for the New Board Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

voce capital Conclusion: Getting BABY Back

94 voce capital Mark G. Gilreath “I’ve been fortunate to work with excellent board members at growing medical technology companies, competing in more than 30 countries . As both a Director and Executive, I’ve found that a highly engaged board, with relevant medtech experience, can make a profound impact on the health and performance of an organization . If given the opportunity, I’d be honored to serve Natus stockholders and share my 25 years of experience facing the complex challenges of building a global medical technology company . ” – Mark G. Gilreath  
Previous Directorships: EndoChoice (NYSE : GI) Given Imaging (Nasdaq : GIVN) Japanese Subsidiary Key skills: Public medical device CEO experience Strategic M&A transactions Public company directorial experience Mark Gilreath has served as an Operating Partner at Frazier Healthcare Partners, a private equity and venture capital firm, since October 2017 . Prior to Frazier, he founded EndoChoice, Inc . (NYSE : GI) in October 2007 and served as the Chief Executive Officer and a director until November 2016 . EndoChoice focuses on the R&D, manufacturing and commercialization of a diverse portfolio of medical technologies and services for physicians in gastrointestinal endoscopy . From 1999 to 2008 , Mr . Gilreath served in various roles at Given Imaging Inc . (Nasdaq : GIVN) including as President of the Americas and Chief Marketing Officer . From 1992 to 1999 , he held various commercial leadership roles with PENTAX Medical including Product Manager, Director of Marketing, Area Sales Manager and Director of Business Development . From 1989 to 1992 , Mr . Gilreath served in the U . S . Navy in Naval Intelligence, including during Operation Desert Storm . He serves on the board of directors of the Medical Device Manufacturers Association, Spencer Health Solutions and the Marcus Autism Center . Experience: Mark G. Gilreath Alignment: Already a Natus shareholder Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

95 voice capital Lisa Wiperman Heine Current Directorships: Surmodics Inc . (Nasdaq : SRDX) since April 2017 ; Member of Nomination & Governance and Compensation Committees Key skills: Operating experience Public company directorial experience Regulatory affairs Lisa Wiperman Heine has served as the Chief Operating Officer of Mitralign, Inc . , a venture - backed innovator of transcatheter heart valve technologies, since November, 2015 . She is the Founder of and, between July 2014 and November 2015 , a Principal at deArca Strategic Solutions, LLC, a consulting firm focused on helping medical technology companies assess, develop and execute strategies related to market opportunities and technology adoption . Ms . Heine previously served in multiple leadership roles at Covidien, Inc . between April 2007 and May 2014 (formerly ev 3 , Inc . and now known as Medtronic), including Global Vice President of Medical Affairs for Vascular Therapies from January 2013 to May 2014 . During her tenure at Covidien, she helped drive the strategy of a \$ 1 . 7 B business and was responsible for leading the strategy and operations of Clinical Affairs, Healthcare Economics, Policy and Reimbursement and Medical Education functions . Between 2002 and 2007 , Ms . Heine served in leadership roles, including regulatory affairs and reimbursement, at Acorn Cardiovascular, Inc . , a venture - backed developer of heart failure treatment technologies . Experience: Lisa Wiperman Heine Alignment: Committed to buying Natus shares in the open market upon election “In my 25 years of medical technology experience, including operating roles and public board service, one of the critical elements of success I’ve observed is the importance of synchronizing corporate strategy with executive priorities and the disciplined allocation of scarce resources . A motivated and committed Board, with relevant operational and functional expertise, plays a crucial role in this alignment process . It would be a privilege to serve as a Natus Director, and to share my diverse medtech experience, in tackling complex challenges, building consensus, driving strategic objectives and delivering long - term stockholder value . ” – Lisa Wiperman Heine Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

96 voce capital Joshua H. Levine Current Directorships: Accuray Inc . (Nasdaq : ARAY) since October 2012 Key skills: Public medical device CEO experience Strategic M&A transactions Public company directorial experience Mr . Levine has served as the President and CEO and as a member of the board of directors of Accuray Incorporated (Nasdaq : ARAY), a publicly traded radiation oncology company that develops, precise, innovative cancer treatment solutions, since October 2012 . From June 2011 to October 2011 , Mr . Levine served as the President and CEO and as a member of the board of directors of Immucor Corporation, a publicly traded diagnostics manufacturer of automated instrumentation and reagents used in transfusion medical procedures that was acquired by TPG Capital in August 2011 . Prior thereto, Mr . Levine served in several executive capacities during his 14 - year tenure with Mentor Corporation, a publicly traded company that was the global market leader in the surgical aesthetics market . From June 2004 to January 2009 , Mr . Levine served as President and CEO and as a member of the board of directors of Mentor Corporation, and from January 2009 to July 2010 , he served as its Worldwide President, following the acquisition of the company by Johnson and Johnson . Mr . Levine holds a Bachelor of Arts degree from the University of Arizona . Experience: Joshua H. Levine Alignment: Already a Natus shareholder “Over the course of my experience in 3 public company CEO/ director roles with small and mid cap medical device companies, I have participated in a number of ‘best practice’ governance models . These first hand experiences have reinforced my belief in the critical difference between governance and managing and the implications on shareholder value creation . ” – Joshua H. Levine Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion

97 voce capital The New Board Can Make an Immediate Impact Governance Operations Compensation Getting fresh, experienced and independent perspectives into Natus' Boardroom is a crucial prerequisite to progress Regulatory Profitability Cessation of M&A Underperformance Overview Summary Compensation Governance Organic Growth Conclusion "Starter Kit" for New Board Eliminate time - based vesting Position overall compensation relative to performance, targeting 50 th percentile Institute stock ownership guidelines Enact a recoupment policy Reconstitute the Compensation Committee Select a new compensation consultant Reconstitute the Nominating and Governance Committee Provide for access to independent legal advice Elect a new Chairman Institute stock ownership guidelines for Directors Conduct a comprehensive assessment of the Board's corporate governance profile Strictly limit outside Board service by Natus' CEO to only one Board Commit to de - stagger the Board Cease all acquisitions until a complete operational and strategic review can be conducted Complete a review of all operating expenses and capital spending Establish a Board - level Enterprise Risk Committee Retain a search firm to hire a COO and General Counsel Pause announced increase in R&D investment until risk/reward and ROIC are analyzed

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