

NATUS MEDICAL INCORPORATED

CODE OF BUSINESS CONDUCT AND ETHICS

Natus Medical Incorporated ("Natus", the "Company", "we", "our") is committed to the highest standards of legal and ethical business conduct and has long operated its business consistent with written operating principles and policies that reinforce this commitment. This Code of Business Conduct and Ethics (the "Code") summarizes the ethical standards for all members of the Board of Directors, Officers and Employees (the "Natus Members") and is a reminder of the seriousness of our commitment. Compliance with this Code in our business conduct is mandatory for every Natus Member.

I. INTRODUCTION

Our business is becoming increasingly complex, both in terms of the geographies and cultures in which we function and the laws with which we must comply. To help our directors, officers and employees understand what is expected of them and to carry out their responsibilities, we have created this Code of Business Conduct and Ethics. Responsibility for overseeing adherence to this Code shall rest with the Chief Executive Officer of Natus ("Chief Executive Officer"), as instructed by the Board of Directors.

This Code is not intended to be a comprehensive guide to all of our policies or to all responsibilities under law or regulation. The laws and regulations that govern the activities of medical device manufactures are comprehensive and complex, and reach all aspects of our business. All Natus Members are expected to be familiar with applicable laws and regulations in their area of operation and Natus expressly prohibits any activity by its Natus Members that violates any applicable law or regulation.

This Code provides general parameters to help resolve the ethical and legal issues encountered in conducting our business. This Code is a guideline, or a minimum requirement, that must always be followed. Any questions about anything in the Code or appropriate actions in light of the Code may be addressed to the Principal Accounting Officer of Natus ("Principal Accounting Officer") or the Chairperson of the Audit Committee of the Board of Directors of Natus ("Audit Committee Chairperson").

We expect each of our directors, officers and employees to read and become familiar with the ethical standards described in this Code. Violations of the law, our corporate policies, or this Code may lead to disciplinary action, including dismissal.

II. ETHICAL CONDUCT: DIRECTORS, OFFICERS AND EMPLOYEES

Natus has built its business on its ability to innovate, the excellence and quality of its products and services and the performance of its employees. Not only do Natus products improve the quality of life for children and families, but also our continuing success is assured by the quality of Natus Members, who adhere to the very highest standards of honesty, ethics and fairness in our business dealings. We insist on not only ethical dealings with others, but on the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

III. FAIR DEALING

Directors, officers and employees are required to deal honestly, ethically and fairly with customers, suppliers, competitors and other third parties. Natus fairly and vigorously markets medical devices based on honesty, creativity, ingenuity and the proven quality and reliability of our products. Serving patients, doctors and medical institutions effectively is our most important goal. In dealings with customers and suppliers, we:

- A. Prohibit bribes, kickbacks or any other form of improper payment, direct or indirect, to any representative of a government, labor union, customer or supplier in order to obtain a contract, some other commercial benefit or government action;
- B. Prohibit our directors, officers and employees from accepting any bribe, kickback or improper payment from anyone;
- C. Prohibit gifts or favors of more than one hundred dollars (\$100.00) to or from any single customer or supplier during any twelve-month period;
- D. Limit marketing and client entertainment expenditures to those that are necessary, prudent, job-related and consistent with our policies;
- E. Require clear and precise communication in our contracts, advertising, literature and other public statements and seek to eliminate misstatement of fact or misleading impressions;
- F. Reflect accurately on all invoices to customers the sale price and terms of sale for products sold or services rendered;
- G. Protect all proprietary data our customers or suppliers provide to us as reflected in our agreements with them or as compelled by law; and
- H. Prohibit our representatives from otherwise taking unfair advantage of our customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

IV. CONFLICTS OF INTEREST

All Natus Members must avoid situations in which their personal interests may conflict, or appear to conflict, with the interests of Natus.

Natus does not intend to infringe on the personal lives or affairs of Natus Members and respects the right of Natus Members to manage their own financial affairs and investments. Natus Members, however, assume certain obligations when joining Natus or accepting a position of responsibility in the organization. Natus naturally expects all Natus Members to respect its interests. Conflicts of interest may be more difficult to detect, and sometimes it's only a matter of degree between an acceptable and an unacceptable activity. It is not possible to list every situation that might give rise to a conflict of interest, but the information that follows should serve as a guide, pointing out important areas where conflicts may arise. The responsibility for conduct within the letter and the spirit of this Code regarding conflicts of interest rests with each individual. It is, however, important to avoid not only any situation that is an obvious conflict of interest, but also to be aware of situations that might appear to be a conflict. Questions or concerns as to whether specific activity raises conflict of interest issues should be addressed to the Principal Accounting Officer.

Use of Company Property

In the absence of prior Company approval, assets of Natus should be used for legitimate business purposes and for personal purposes only to the extent allowed by Company policy. All Natus Members have an obligation to use Company property efficiently and to report any theft or damage to Company property to appropriate Company management personnel.

Dealings with Suppliers and Competitors

Natus Members shall select and deal with suppliers, customers, and other persons doing or seeking to do business with Natus in a completely impartial manner, without favor or preference based upon any

considerations other than the best interests of Natus. Natus Members shall not seek or accept, directly or indirectly, any payments, fees, services, or loans from any person or business entity that does or seeks to do business with, or is in competition with, Natus. This does not, however, prohibit a Natus Member from receiving compensation for outside services that Natus permits such person to render, when such outside services will not affect the impartial discharge of such person's duties or obligations to Natus. In the absence of prior Company approval, with regard to any person or business entity that does or seeks to do business with Natus, employees shall not seek or accept for themselves, or any member of their families, any gifts, entertainment, or other favors of a character that goes beyond common courtesies consistent with ethical and accepted business practices and are consistent with our internal policies.

Interests In or Relationships with Other Companies

Natus Members shall not own, directly or indirectly, a financial interest in any business entity that is in competition with, or a significant financial interest in any business entity that does or seeks to do business with, the Company except where such interest has been fully disclosed to Natus and a determination has been made by the Company that such interest will not influence any decision that such person might be required to make performing duties for Natus.

Natus Members shall not accept a directorship or other managerial position in, or serve as a consultant or employee of, a business entity, organized for profit, that does or seeks to do business with, or is in competition with, Natus, without receiving specific approval from the Chief Executive Officer. Natus Members shall not acquire, directly or indirectly, real estate, an interest in any business entity, or any other property that such employee knows, or has reason to believe, may be of acquisition interest to Natus.

Dealings with Relatives

Natus Members shall not conduct business on behalf of Natus with a relative or a business entity with which the Natus Member or a relative is associated, except where such dealings have been disclosed to the Company and senior management of Natus has given its specific written approval.

Loans

Natus shall not make any loans to Natus Members unless the Board of Directors approves them. This policy does not apply to loans to independent distributors that are made under a written agreement made in the ordinary course of business. No supervisor shall solicit a loan from a subordinate or accept a loan from a subordinate.

Reporting Obligations

Natus Members shall have the continuing, affirmative annual duty to report in writing to the Chief Executive Officer any personal ownership interest or other relationship that might affect their ability to exercise impartial, ethical business judgments in their area of responsibility. Natus shall review each situation reported and make a determination as to whether a conflict of interest exists or may arise from such a situation. All Natus Members shall give Natus their fullest cooperation in the correction of any situation in which a conflict exists or may arise.

V. CONFIDENTIALITY AND CORPORATE ASSETS

Natus Medical directors, officers and employees are, on occasion, entrusted with Natus confidential information and with the confidential information of Company suppliers, customers or other business partners. This information may include: (1) technical or scientific information about current and future products, services or research; (2) business or marketing plans or projections; (3) earnings and other internal financial data; (4) personnel information; (5) supply and customer lists; and (6) other non-public information that, if disclosed, might be of use to competitors, or harmful to the Company's suppliers,

customers or other business partners. This information is the property of Natus, or the property of its suppliers, customers or business partners and in many cases was developed at great expense. All Natus Members, upon commencement of employment with Natus, shall sign an Employee Confidentiality and Invention Assignment Agreement that contains specific agreements to protect confidential information and trade secrets. Strict adherence to that Confidentiality Agreement is required of each Natus Member.

Natus property assets Includes: Natus Intranet, email and voicemail services, which should be used consistent with Company policy and which Natus may monitor at any time without notice.

VI. SPECIAL ETHICS OBLIGATIONS FOR NATUS MEMBERS WITH FINANCIAL REPORTING RESPONSIBILITIES

As a public company it is of critical importance that the Natus filings with the Securities and Exchange Commission and its other disclosures to the public be accurate and timely. Depending on their position, Natus Members may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. All personnel are to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to public disclosure requirements.

The Chief Executive Officer, Principal Accounting Officer, and Finance Department personnel bear a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of Natus. The Chief Executive Officer, Principal Accounting Officer and members of the Finance Department have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout Natus as a whole that ensures the fair, accurate, comprehensive, and timely reporting of financial results. Because of this special role, the Chief Executive Officer, Principal Accounting Officer, and all members of the Finance Department are bound by the following:

- A. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships;
- B. Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that Natus files with, or submits to, government agencies and in other public communications;
- C. Comply with applicable governmental laws, rules and regulations, and acquire appropriate knowledge of such laws, rules and regulations relating to Natus' duties sufficient to enable the Natus Member to recognize potential dangers and to know when to seek legal advice from outside counsel;
- D. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated;
- E. Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage;
- F. Proactively promote and be an example of ethical behavior as a responsible partner among peers in the work environment;
- G. Make responsible use of and control over all assets and resources employed in the course of work responsibilities or entrusted by Natus; and
- H. Promptly report to the Chief Executive Officer and/or the Chairman of the Audit Committee any conduct believed to be a violation of law or business ethics or of any provision of this Code of

Conduct, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

VII. FULL, FAIR, ACCURATE AND TIMELY DISCLOSURE

Natus is committed to providing its investors with full, fair, accurate, and timely disclosure in reports filed with the Securities and Exchange Commission and otherwise communicated to the public. To this end, Natus Members shall:

- A. Not make false or misleading entries in Company books and records for any reason;
- B. Not condone any undisclosed or unrecorded bank accounts or assets established for any purpose;
- C. Comply with generally accepted accounting principles at all times;
- D. Notify the Principal Accounting Officer if there is an unreported transaction;
- E. Maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded;
- F. Maintain books and records that accurately and fairly reflect Company transactions;
- G. Prohibit the establishment of any undisclosed or unrecorded funds or assets;
- H. Maintain a system of disclosure controls that will provide reasonable assurances to management that material information about Natus is made known to management, particularly during the periods in which periodic reports are being prepared;
- I. Present information in a clear and orderly manner and avoid the use of unnecessary legal and financial language in periodic reports; and
- J. Not communicate to the public any material nonpublic information except through the Principal Accounting Officer or Chief Executive Officer, or as directed or approved by said individuals.

VIII. COMPLIANCE WITH ALL LAWS, RULES AND REGULATIONS

Natus will comply with all laws and governmental regulations that are applicable to its activities, and expects all directors, officers and employees to obey the law. Specifically, Natus is committed to:

Maintaining a safe and healthy work environment;

- A. Promoting a workplace that is free from discrimination or harassment based on race, color, religion, sex, age, national origin, disability or sexual preference;
- B. Supporting fair competition and laws prohibiting restraints of trade and other unfair trade practices;
- C. Full compliance with applicable environmental laws;
- D. Prohibiting any illegal payments, gifts, or gratuities to any government official, political party or customer;
- E. Prohibiting the unauthorized use, reproduction, or distribution of any third party's trade secrets, copyrighted information or confidential information; and
- F. Complying with all applicable state and federal securities laws.

IX. INSIDER TRADING

Natus Members are prohibited from trading Company securities while in possession of material, nonpublic information about Natus. The Company's Insider Trading Policy, which is a separate document and can be found on the Company's Intranet site, describes the nature of inside information and the related restrictions on trading. Natus Members in positions that routinely involve the possession of material non-public information about Natus are required to sign an acknowledgment that they have read and understand Company policies and agree to comply with their provisions.

X. REPORTING AND EFFECT OF VIOLATIONS

Compliance with this Code is, first and foremost, the individual responsibility of every Natus Member. Natus attempts to foster a work environment in which ethical issues and concerns may be raised and discussed with supervisors or with others without fear of retribution. It is responsibility of the Company to provide a system of reporting and access for employees who wish to report suspected violations, or to seek counseling, and the normal chain of command cannot, for whatever reason, be used.

Administration

The Natus Board of Directors has established the standards of business conduct contained in this Code and oversees compliance. The Chief Executive Officer has been given the responsibility of ensuring adherence to the Code. While serving in this capacity, the Chief Executive Officer reports directly to the Board of Directors. Training on this Code will be included in orientation programs for new employees and provided to existing Natus Members on an ongoing basis. To ensure familiarity with the Code, Natus Members will be asked to read the Code and sign a Compliance Certificate annually.

Reporting Violations and Questions

Natus Members must report, in person or in writing, any known or suspected violations of laws, governmental regulations or this Code to either the Chief Executive Officer or the Audit Committee Chairperson. Additionally, Natus Members may contact the Principal Accounting Officer or the Audit Committee Chairperson with questions or concerns about this Code or a business practice. Any questions or violation reports will be addressed immediately, and can be made anonymously.

Natus will not allow any retaliation against any Natus Member who acts in good faith in reporting any violation of this Code. The Company will investigate reported violations and will determine an appropriate response, including corrective action and preventative measures, and will involve the Audit Committee Chairperson or Chief Executive Officer when required. All reports will be treated confidentially to the extent possible.

Consequences of a Violation

Directors, officers and employees who violate any law, governmental regulation or this Code will face appropriate, case-specific disciplinary action, which may include demotion or discharge.

Reporting Contacts:

Chief Executive Officer

Natus Medical Incorporated
1501 Industrial Road
San Carlos, CA 94070
(650) 802-0400

Audit Committee Chairperson

Communication concerning this Code may be sent via e-mail to:

Audit_Committee_Chairperson@natus.com

XI. PROCEDURES FOR CONFIDENTIAL AND ANONYMOUS REPORTING BY EMPLOYEES OF QUESTIONABLE OR FRAUDULENT ACCOUNTING AND AUDITING ACTIONS

Anonymous Telephone Complaint System for Financial Fraud

Natus maintains an anonymous telephone complaint system for the benefit of Natus Members. The intent of this system is to provide Natus Members with an anonymous means by which to report complaints and concerns about accounting, internal accounting control and auditing matters. This Complaint procedure and policy is designed to prevent retaliation for such reporting and to ensure that all legitimate complaints are promptly investigated and addressed. The details of this System and the contact information to utilize the System are contained in this written Company Policy that is distributed to all Natus Members.

Reporting Financial and Accounting Fraud

Everyone has an obligation to be vigilant for events that indicate unethical or illegal conduct. When practical, employees should discuss their concerns with management. However, there are circumstances when concerns are so sensitive that one may not feel comfortable going directly to management, but would prefer to report the concern confidentially.

For these circumstances, we contracted with Fulcrum Financial Inquiry LLP (“Fulcrum”), a completely independent accounting firm. Fulcrum will receive, record, and help resolve complaints involving unethical conduct. You may register a complaint by contacting Fulcrum:

- A. By telephone message to the Company's external, confidential Hotline at (213) 270-9986, established solely for purposes of this Policy;
- B. Through a web-based form located at www.fulcrum.com/natus.htm
- C. By email at whistle@fulcruminquiry.com
- D. In writing by U.S. mail addressed to Fulcrum Financial Inquiry LLP, Whistleblower Department, 1000 Wilshire Boulevard, Suite 1650, Los Angeles, CA 90017; or
- E. By fax sent to Fulcrum Financial Inquiry LLP, Whistleblower Department, at (213) 787-4141

Complaints reported to Fulcrum will be kept anonymous and confidential, unless you specifically and explicitly direct otherwise. All reports will be taken seriously and addressed promptly, discreetly, and professionally. Complaints received by Fulcrum will be reported to and investigated by only those that are completely independent from the complaint.

Whether reported to Fulcrum or management, we will not retaliate, harass, discriminate, threaten, demote, discharge, or take any other adverse action against any person that reports their good faith concern.

Any communication made by the above means may include, at the employee's option, the employee's contact information in the event that additional information is needed, unless the employee chooses to remain anonymous, and (i) a description of the matter or irregularity, (ii) the period of time during which the employee observed the matter or irregularity, and (iii) any steps that the employee has taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction.

XII. WAIVER AND AMENDMENT

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the Board of Directors and will be immediately communicated to you.

XIII. DISCLOSURE

We are required to disclose promptly and in accordance with applicable law any change in, or waiver of, any provision of the Code.

September 2012