

NATUS MEDICAL INC  
Form DEFA14A  
May 31, 2018  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14a  
(RULE 14a-101)

SCHEDULE 14A INFORMATION

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 Pursuant to §240.14a-12

NATUS MEDICAL INCORPORATED

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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(4) Date Filed:



On May 31, 2018, Natus Medical Incorporated (“Natus”) issued the following press release:

Natus Medical Highlights Board’s Strengths and Management’s Track Record of Value Creation in Investor Presentation

Outlines Ongoing, Successful Execution of Strategic Plan  
Board Urges Shareholders to Vote on the WHITE Proxy Card FOR the Election  
of Doris Engibous and Robert Weiss TODAY  
Shareholders Should Not Vote for Removal of Chairman Robert Gunst

PLEASANTON, Calif., May 31, 2018 -- Natus Medical Incorporated (NASDAQ:BABY) (“Natus”) today announced that it has filed an investor presentation with the Securities and Exchange Commission in connection with the Company’s 2018 Annual Meeting of Shareholders (“Annual Meeting”) to be held on June 22, 2018. The presentation and other materials regarding the Board’s recommendation for the 2018 Annual Meeting can be found at <https://investor.natus.com/>. Highlights include:

♣Natus Has a Track Record of Enhancing Shareholder Value

Since 2004, Natus’ revenues have grown from approximately \$34 million to more than \$500 million.

Natus has increased its stock price by 155% over the last five years<sup>1</sup> and by 799% since Jim Hawkins was appointed CEO<sup>2</sup>, outperforming major indices during those time periods.

Natus has announced \$80 million in repurchase programs over the last four years and returned approximately \$42 million to shareholders via buybacks over that same timeframe.

♣Natus Continues to Execute a Proven Strategy

Since Jim Hawkins joined the Company in 2004 as CEO, the Board and management team have continued to focus on a strategy of growth, innovation and efficient capital allocation.

Natus has developed from a small, single product company into a leader in three major markets.

The Company has successfully improved segment margin performance of acquired businesses, including its largest deals Nicolet, Otometrics and Integra Life Sciences.

Natus’ long-term financial goals are driven by the execution of its strategic plan.

♣Natus Has the Right Board to Execute This Strategy

The Natus Board comprises six highly-qualified directors, five of whom are independent.

All of Natus’ highly-qualified Board members and director nominees bring significant relevant experience and offer a diverse mix of skills and expertise.

Implemented and overseen by the Board, performance-focused compensation policies are aligned with shareholder interests. Natus executives are not paid cash bonuses when performance criteria are not met.

♣Voce’s Attack on Natus is Uninformed and Offers No Defined Plan

Voce Capital, an activist shareholder, proposes to gain control of the Board, but it has not articulated what it would do if it gained control. If Voce is successful, Voce nominees would occupy three out of six Board seats.

The only plan Voce has communicated is to halt Natus’ successful acquisition strategy and cease R&D activities.

Voce’s nominees add no incremental value compared to Natus’ slate.

In fact, many of the companies in which Voce’s nominees have served have exhibited substantial declines in shareholder value.

♣The Natus Board Has Attempted on Multiple Occasions to Find a Mutually Agreeable Resolution with Voce

The Board believes that avoiding this costly and unnecessary proxy fight with Voce would have been best for Natus and its shareholders.



For this reason, over the several weeks before filing its proxy statement, Natus made multiple proposals to Voce in an attempt to reach a reasonable resolution.

Voce rejected the Board proposals and in our opinion, Voce's increasingly unreasonable demands underscore that Voce is really fighting to take control of Natus.

#### Natus' Strategy is Disciplined and Has Established the Company as a Global Market Leader

Natus has delivered strong growth and performance, positioning Natus for the future.

Natus has efficiently allocated capital to drive long-term value.

The Company has exhibited an ongoing commitment to refreshing its Board of Directors

Voce lacks a plan and its slate is less qualified.

Shareholders are urged to protect their investment and keep Natus on the right track

The Natus Board urges shareholders to vote the WHITE proxy card today FOR the election of Doris Engibous and Robert Weiss. The Natus Board also unanimously recommends that shareholders not vote for the removal of Chairman Robert Gunst.

All shareholders should be aware that any vote for Voce nominees on Voce's blue proxy card will revoke any previous proxy submitted by a shareholder, including any votes submitted on the Company's WHITE proxy card FOR any of the Board's nominees. It is critical that shareholders DO NOT RETURN ANY PROXY CARD SENT BY VOCE, EVEN AS A PROTEST VOTE AGAINST VOCE OR THE VOCE NOMINEES. The Natus Board strongly urges shareholders to DISCARD all blue proxy cards or other materials sent by Voce.

Natus shareholders are reminded that their vote is important, no matter how many or how few shares they own. If shareholders have questions, or require assistance in voting, please contact Morrow Sodali, by calling toll-free (800) 662-5200, or via e-mail [BABY@morrrowsodali.com](mailto:BABY@morrrowsodali.com).

Fenwick & West LLP is serving as legal counsel to Natus.

#### About Natus Medical Incorporated

Natus is a leading provider of healthcare products and services used for the screening, detection, treatment, monitoring and tracking of common medical ailments in newborn care, hearing impairment, neurological dysfunction, neurosurgery, epilepsy, sleep disorders, and balance and mobility disorders.

Additional information about Natus Medical can be found at [www.natus.com](http://www.natus.com).

#### Forward Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, particularly statements regarding the expectations, beliefs, plans, intentions and strategies of Natus. These statements relate to our current estimates and assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are only predictions and the actual events or results may differ materially. Natus cannot provide any assurance that its future results or the results implied by the forward-looking statements will meet expectations. Our future results could differ materially due to a number of factors, including the effects of competition, our ability to successfully integrate and achieve our profitability goals from recent acquisitions, the demand for our products and services, the impact of adverse global economic conditions and changing governmental regulations, including foreign exchange rate changes, on our target markets, our ability to expand our sales in international markets, our ability to maintain current sales levels in a mature domestic market, our ability to control costs, risks associated with our, and our commercial partner's, bringing new products to market, and our ability to fulfill product orders on a timely basis. Natus disclaims any obligation to update information contained in any forward looking statement.

More information about potential risk factors that could affect the business and financial results of Natus is included in Natus' annual report on Form 10-K for the year ended December 31, 2017 and its subsequent quarterly reports on Form 10-Q and in other reports filed from time to time by Natus with the U.S. Securities and Exchange Commission.

Important Additional Information and Where to Find It

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Natus has filed a definitive proxy statement (the “Proxy Statement”) and accompanying WHITE proxy card with the Securities and Exchange Commission (the “SEC”) on May 18, 2018 in connection with the solicitation of proxies for the 2018 Annual Meeting of Stockholders. NATUS STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), THE ACCOMPANYING WHITE PROXY CARD AND ANY OTHER RELEVANT DOCUMENTS THAT NATUS WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

#### Certain Information Regarding Participants in Solicitation

Natus, its directors and certain of its executive officers will be participants in the solicitation of proxies from stockholders in respect of the 2018 Annual Meeting of Stockholders. Information regarding the names of Natus’ directors and executive officers and their respective interests in Natus by security holdings or otherwise is set forth in the Proxy Statement. Investors and stockholders may obtain a copy of the definitive proxy statement and other documents filed by Natus free of charge from the SEC’s website, [www.sec.gov](http://www.sec.gov). Additionally, Natus stockholders may obtain, without charge, a copy of the definitive Proxy Statement and other relevant filed documents by directing a request to Natus’ proxy solicitor for the 2018 Annual Meeting of Stockholders, Morrow Sodali, at 800-662-5200 or via email at [BABY@morrrowsodali.com](mailto:BABY@morrrowsodali.com)

#### Contacts

Natus Medical Incorporated  
Jonathan A. Kennedy  
Executive Vice President and Chief Financial Officer  
925-223-6700  
[InvestorRelations@Natus.com](mailto:InvestorRelations@Natus.com)

Joele Frank, Wilkinson Brimmer Katcher  
Jim Golden / Tim Lynch / Adam Pollack  
212-355-4449

<sup>1</sup> From 05/25/13 to 05/25/18

<sup>2</sup> From 04/12/04 to 05/25/18