

**SONIC FOUNDRY, INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors of Sonic Foundry, Inc. (with its subsidiaries, the "Company") has adopted this code of ethics (this "Code") to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations; and
- deter wrongdoing.

All directors, officers and employees of the Company are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. The Company's more detailed policies and procedures set forth in the employee manual are separate requirements and are not part of this Code.

For purposes of this Code, the "Code of Ethics Contact Person" will be the Chief Financial Officer.

From time to time, the Company may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors and must be promptly disclosed as required by SEC or Nasdaq rules. Any waiver for other employees may be made only by the Code of Ethics Contact Person.

**I. Honest and Candid Conduct**

Each director, officer and employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and violation of principle are inconsistent with integrity.

Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- Observe both the form and spirit of laws and governmental rules and regulations, accounting standards and Company policies.
- Adhere to a high standard of business ethics.

## **II. Conflicts of Interest**

A "conflict of interest" occurs when an individual's private interest is at the expense of or appears to be at the expense of the interests of the Company. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her duties or to perform Company work objectively and effectively. For example, a conflict of interest would arise if a director, officer or employee, or a member or his or her family, receives improper personal benefits as a result of his or her position in the Company. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person.

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided.

In particular, clear conflict of interest situations involving directors, executive officers and other employees who occupy supervisory positions or who have discretionary authority in dealing with any third party specified below may include the following, unless previously disclosed to, and submitted for approval by, the Board of Directors or the Code of Ethics Contact Person:

- any significant ownership interest in any supplier or customer;
- any consulting or employment relationship with any customer, supplier or competitor;
- any outside business activity that detracts from an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- the receipt of non-nominal gifts or excessive entertainment from any company with which the Company has current or prospective business dealings;
- being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member; and
- selling anything to the Company or buying anything from the Company, except on the same terms and conditions as would be applicable to unrelated third parties.

Such situations, if material, should always be discussed with, and submitted for approval by, the Code of Ethics Contact Person.

Anything that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to a member of his or her family.

### **III. Fair Dealing**

Our Company is committed to achieving success through hard work and honest business practices. Each of us must strive to deal fairly with the Company's customers, suppliers, competitors and employees. No one should take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation or improper withholding of material facts, or any other practice that entails unfair dealing. Stealing proprietary information, obtaining trade secret information without the owner's consent, or inducing such disclosure by past or present employees of other companies, is strictly prohibited.

### **IV. Disclosure**

Each director, officer or employee involved in the Company's disclosure process, including the Chief Executive Officer and the Chief Financial Officer (the "Senior Financial Officers"), is required to be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that the Company's public reports and documents filed with the Securities and Exchange Commission ("SEC") comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee who is involved in the Company's disclosure process, including without limitation the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to the Company as well as the business and financial operations of the Company.
- Not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.
- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

### **V. Compliance**

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by those laws, rules and regulations.

It is against Company policy and in many circumstances illegal for a director, officer or employee to profit from undisclosed information relating to the Company or any other company that does business with the Company. No director, officer or employee may purchase or sell any

of the Company's securities while in possession of material nonpublic information relating to the Company. Also, no director, officer or employee may purchase or sell securities of any other company that does business with the Company while in possession of any material nonpublic information relating to that company.

Any director, officer or employee who is uncertain about the legal rules involving a purchase or sale of any Company securities or any securities in companies that he or she is familiar with by virtue of his or her work for the Company should consult with the Code of Ethics Contact Person before making any such purchase or sale.

## **VI. Reporting and Accountability**

The Board of Directors is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any situation. Any director, officer or employee who becomes aware of any existing or potential violation of this Code is required to notify the Code of Ethics Contact Person. Alternatively, a violation of the Code may be reported promptly to the Chief Executive Officer or anonymously via the “whistle blower” section of the Company’s Intranet site. Failure to do so is itself a violation of this Code.

Any questions relating to how this Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. A director, officer or employee who is unsure of whether a situation violates this Code should discuss the situation with the Code of Ethics Contact Person to prevent possible misunderstandings and embarrassment at a later date.

Each director, officer or employee must:

- Promptly notify the Code of Ethics Contact Person, or alternatively the Chief Executive Officer, of any existing or potential violation of this Code.
- Not retaliate against any other director, officer or employee for reports of potential violations that are made in good faith. The Company will make every effort to maintain, within the limits allowed by law and consistent with the need to conduct an adequate review, the confidentiality of anyone requesting guidance or reporting questionable behavior.

The Board of Directors, in the case of a director or executive officer, or the Code of Ethics Contact Person, in the case of any other employee, shall take all action they consider appropriate to investigate any violations reported to them. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Board of Directors, in the case of a director or executive officer, or the Code of Ethics Contact Person, in the case of any other employee.

Upon being notified that a violation has occurred, the Board of Directors, in the case of a director or executive officer, or the Code of Ethics Contact Person, in the case of any other employee, will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.

From time to time, the Company may waive some provisions of this Code. Any waiver of the Code for executive officers or directors of the Company may be made only by the Board of Directors and must be promptly disclosed as required by SEC or Nasdaq rules. Any waiver for other employees may be made only by the Code of Ethics Contact Person.