

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SONIC FOUNDRY INC

CIK: [1029744](#) | IRS No.: **391783372** | State of Incorporation: **MD** | Fiscal Year End: **0930**
Type: **8-K** | Act: **34** | File No.: **000-30407** | Film No.: **211129670**
SIC: **3663** Radio & tv broadcasting & communications equipment

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

July 30, 2021 (July 27, 2021)
Date of Report (Date of earliest event reported)

Sonic Foundry, Inc.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

000-30407
(Commission
File Number)

39-1783372
(IRS Employer
Identification No.)

222 W. Washington Ave
Madison, WI 53703
(Address of principal executive offices)

(608) 443-1600
(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On July 20, 2021, the Company entered into a transaction with four investors on identical terms pursuant to which they agreed to purchase, and the Company agreed to issue and sell, an aggregate of 945,946 shares at a price of \$3.70 per share (total of \$3,500,000). The Company closed on the issuance and sale on July 27, 2021. The Company and the investors also entered into (i) warrant agreements pursuant to which the investors have the right to purchase 141,892 shares at a price of \$5.50 per share on or before July 20, 2026 and, (ii) registration rights agreements (“Rights Agreement”) whereby the Company agreed to file a registration statement with the U.S. Securities and Exchange Commission (the “Commission”) within six months after the effective date of the Rights Agreement and further agreed to use its commercially reasonable efforts to have the registration statement declared effective and to ensure that the registration statement remains effective throughout the term of the Rights Agreement.

The investors above included Mr. Mark Burish, the Company’s chairman and largest shareholder who purchased \$1,250,000 of common stock for a total of 337,838 shares and 50,676 warrants. The Company’s special committee of disinterested directors met several times to discuss and negotiate the terms of the above transactions, including the participation of Mr. Burish. The special committee unanimously approved such terms.

Another participant in the transaction above was Roumell Opportunistic Value Fund, run by James Roumell, a Chevy Chase, Maryland money manager, who purchased \$1,500,000 of common stock. Forms of the Warrant and the Rights Agreement are attached hereto and incorporated herein as exhibits. The foregoing descriptions of the Warrant and the Rights Agreement are qualified in their entirety by reference to the full text of the Warrant and Rights Agreement.

Item 3.02. Unregistered Sales of Equity Securities.

The description of the Subscription Agreements set forth under Item 1.01 is incorporated by reference in this Item 3.02. The shares and warrants described in Item 1.01 above were issued without registration under the Securities Act, in reliance upon the exemption provided in Section 4(a)(2) thereunder (“Section 4(a)(2)”). The investors each represented that they are an “accredited investor” as that term is defined in Rule 501 under the Securities Act.

Item Financial Statements and Exhibits.

9.01.

(d) Exhibits.

4.1 [Form of Warrant](#)

10.1 [Form of Registration Rights Agreement](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sonic Foundry, Inc.
(Registrant)

July 30, 2021

/s/ Kenneth A.
By: Minor
By: Kenneth A. Minor
Interim Chief
Title: Financial Officer

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES AND MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, OR TRANSFER, ASSIGNMENT, PLEDGE, OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

July 20, 2021

WARRANT

FOR VALUE RECEIVED, Sonic Foundry, Inc., a Maryland corporation (the “*Company*”), hereby certifies that [name] (“*Holder*”) is entitled to purchase from the Company [amount] duly authorized, validly issued, fully paid, and nonassessable shares of Common Stock at a purchase price per share of \$5.50 (the “*Exercise Price*”), all subject to the terms and conditions set forth in this Warrant.

1. Definitions. As used in this Warrant, the following terms have the respective meanings set forth below:

(a) “*Aggregate Exercise Price*” means an amount equal to the product of (i) the Exercise Price multiplied by (ii) the number of Warrant Shares in respect of which this Warrant is then being exercised.

(b) “*Articles of Incorporation*” means the Company’s current articles of incorporation, as may be amended and/or restated from time to time.

(c) “*Change in Control*” means the occurrence of either of the following events: (i) a merger or consolidation in which the Company is a constituent party (or a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation), except any such merger or consolidation (A) effected exclusively for the purpose of changing the Company’s domicile or (B) involving the Company (or a subsidiary of the Company) in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (x) the surviving or resulting corporation or (y) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (ii) the sale, lease, transfer, exclusive license, or other disposition, in a single transaction or series of related transactions, by the Company (or any subsidiary of the Company) of all or substantially all of the assets of the Company and its subsidiaries taken as a whole or the sale or disposition (whether by merger, consolidation, or otherwise, and whether in a single transaction or series of related transactions) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license, or other disposition is to a wholly owned subsidiary of the Company; provided, however, that any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or indebtedness of the Company is cancelled or converted (or a combination thereof) will not be deemed to be a Change in Control; *provided, further*, that, to the extent that there is any inconsistency between the foregoing definition of “Change in Control” and the definition of a “Deemed Liquidation Event” as set forth in the Articles of Incorporation, the foregoing definition of “Change in Control” shall be deemed to be amended so as to be consistent with the definition of a “Deemed Liquidation Event” as set forth in the Articles of Incorporation. For the avoidance of doubt, if the definition (or occurrence) of a “Deemed Liquidation Event” as set forth in the Articles of Incorporation is subject to waiver or amendment by the Company’s stockholders in accordance with the Articles of Incorporation, then the definition (or occurrence) of a “Change in Control” hereunder shall also be subject to such waiver or amendment by the Company’s stockholders in accordance with the Articles of Incorporation.

(d) “**Common Stock**” means the Common Stock, par value \$.01 per share, of the Company and any capital stock into which such Common Stock shall have been converted, exchanged, or reclassified following the date hereof.

(e) “**Company**” has the meaning set forth in the preamble of this Warrant.

(f) “**Exercise Price**” has the meaning set forth in the preamble of this Warrant.

(g) “**Holder**” has the meaning set forth in the preamble of this Warrant.

(h) “**Immediate Family Member**” means a spouse (or former spouse) or domestic partner, child or stepchild, grandchild, parent, stepparent, sibling, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, niece, or nephew, including adoptive relationships, of a natural person referred to herein. An individual shall be deemed to be a “domestic partner” of another individual if the two individuals (i) reside in the same residence and plan to do so indefinitely, (ii) have resided together for at least one year, (iii) are each at least 18 years of age and mentally competent to consent to contract, (iv) are not blood relatives closer than would prohibit legal marriage in the state in which they reside, (v) are financially interdependent, as demonstrated to the Company’s reasonable satisfaction, and (vi) have each been the sole spousal equivalent of the other for the year prior to the determination of “domestic partner” status and plan to remain so indefinitely; provided, however, that an individual shall not be deemed to be a “domestic partner” if he or she is married to another individual or has any other spousal equivalent.

(i) “**Notice of Exercise**” has the meaning set forth in Section 3.

(j) “**Person**” means any individual, firm, corporation, association, partnership, limited liability company, trust, joint venture, governmental entity, or other entity.

(k) “**SEC**” means the U.S. Securities and Exchange Commission.

(l) “**Securities**” has the meaning set forth in Section 9(a).

(m) “**Securities Act**” means the Securities Act of 1933, as amended.

(n) “**Selected Courts**” has the meaning set forth in Section 14(b).

(o) “**Stock Sale**” means a change in ownership of the Company, other than a Change in Control, that occurs when one Person, or more than one Person acting as a group, acquires ownership of stock of the Company, in a stock sale or exchange, that, together with the stock held by such Person or group, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that a Stock Sale will not occur if any Person, or more than one Person acting as a group, owns more than 50% of the total voting power of the stock of the Company and acquires additional stock of the Company; provided, further, that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Company’s board of directors will not be considered a Stock Sale.

(p) “**Total Aggregate Exercise Price**” means an amount equal to the product of (i) the Exercise Price multiplied by (ii) the total number of Warrant Shares purchasable under this Warrant.

(q) “**Transfer**” means to sell, pledge, assign, hypothecate, or otherwise transfer in any manner, whether by operation of law or otherwise.

(r) “**Warrant**” means this Warrant and all warrants issued upon division or combination of, or in substitution for, this Warrant.

(s) “**Warrant Expiration Date**” has the meaning set forth in Section 2.

(t) “**Warrant Shares**” means the shares of Common Stock or other capital stock of the Company then purchasable upon exercise of this Warrant in accordance with the terms hereof.

2. **Exercise Period.** This Warrant shall be exercisable, in whole or in part, during the term commencing on the date hereof and ending at 5:00 p.m., CST, on July 20, 2026 (the “**Warrant Expiration Date**”).

3. **Method of Exercise.** While this Warrant remains outstanding and exercisable in accordance with Section 2, Holder may exercise, in whole or in part, the purchase rights evidenced hereby on any day that is not a Saturday, Sunday, or holiday on which banking institutions in the city of Madison, Wisconsin are authorized or obligated by law or executive order to close. Such exercise shall be effected by: (i) surrender of this Warrant (or an indemnification undertaking acceptable to the Company in the case of loss, theft, or destruction of this Warrant), together with a completed Notice of Exercise substantially in the form attached hereto as **Exhibit A** (a “**Notice of Exercise**”), to the Chief Executive Officer or Secretary of the Company at its principal office; and (ii) subject to Section 4, payment to the Company, by check or wire transfer of immediately available funds, of an amount equal to the Aggregate Exercise Price. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which the items described in the foregoing sentence have been delivered to the Company. Any portion of this Warrant that is exercised shall be immediately cancelled.

4. **Net Exercise.** In lieu of exercising this Warrant by a payment to the Company as set forth in Section 3, Holder may elect to receive Warrant Shares equal to the value of this Warrant (or the portion thereof being cancelled) by surrender of this Warrant, together with a completed Notice of Exercise indicating Holder’s election to exercise this Warrant by means of net exercise, to the Chief Executive Officer or Secretary of the Company at its principal office, in which event the Company shall issue to Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{PY(A - B)}{A}$$

Where

X = the number of Warrant Shares to be issued to Holder for the portion of this Warrant being exercised

- P = the percentage of this Warrant being exercised
- Y = the total number of Warrant Shares purchasable upon exercise of this Warrant in full (as adjusted to the exercise date)
- A = the fair market value of one Warrant Share as of the exercise date, as determined in good faith by the Company's board of directors
- B = the Exercise Price (as adjusted to the exercise date)

5. Registration of Shares. Upon receipt of the documents and payments described in Section 3 or Section 4, as applicable, the Company shall, as promptly as is reasonably practicable and in any event within ten days register in Holder's name, on the Company's records, the aggregate number of Warrant Shares so purchased and deliver to Holder an amount of cash in lieu of any fraction of a Warrant Share as provided in Section 7. If this Warrant is exercised in part, the Company shall, at the time of such registration, deliver to Holder a new Warrant evidencing Holder's right to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall, in all other respects, be identical to this Warrant.

6. Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number and kind of securities purchasable upon exercise of this Warrant shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations, and Other Issuances. If, at any time prior to the Warrant Expiration Date, the Company subdivides the Warrant Shares (by split-up or otherwise), combines the Warrant Shares, or issues additional Warrant Shares as a dividend, then (i) in the case of a subdivision or stock dividend, the Exercise Price in effect immediately prior to such subdivision or stock dividend will be proportionately reduced and the number of Warrant Shares issuable upon exercise of this Warrant will be proportionately increased and (ii) in the case of a combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares issuable upon exercise of this Warrant will be proportionately decreased; provided, however, that the Total Aggregate Exercise Price shall remain the same. Any adjustment pursuant to this Section 6(a) shall, as applicable, become effective at 5:00 p.m., CST, on (i) the date the subdivision or combination becomes effective or (ii) the record date of the stock dividend (or upon the making of the stock dividend in the event that no record date is fixed).

(b) Reclassification, Reorganization, and Consolidation. In the event of any reclassification, capital reorganization, or change in the capital stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 6(a)), Holder shall have the right at any time prior to the Warrant Expiration Date to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization, or change by a holder of the same number of Warrant Shares as were purchasable by Holder immediately prior to such reclassification, reorganization, or change. In any such case, appropriate provisions shall be made with respect to the rights and interests of Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price payable hereunder; provided, however, that the Total Aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of Warrant Shares purchasable upon exercise of this Warrant, or in the Exercise Price, the Company shall promptly notify Holder of the event causing such adjustment, the number and kind of Warrant Shares or other securities or property thereafter purchasable upon exercise of this Warrant, and the adjusted Exercise Price.

(d) Other Action Affecting Shares. If the Company makes a distribution in respect of the Warrant Shares that is not otherwise described in this Section 6, Holder shall be entitled, upon exercise of this Warrant, to receive from the Company its pro rata share of any such distribution such that Holder receives, upon exercise of this Warrant, the same type and amount of property that Holder would have received if Holder had exercised this Warrant immediately prior to such distribution or the date the Company shall take a record of the holders of the Warrant Shares for purposes of such distribution, as applicable, and, from and after the date of such distribution, the Company shall hold and set aside (or cause to be held and set aside in a commercially reasonable manner) an amount of such property equal to Holder's pro rata portion thereof for distribution to Holder pursuant hereto.

7. No Fractional Shares. With respect to any fraction of a Warrant Share called for upon any exercise of this Warrant, the Company shall, in lieu of issuing any fractional share, make a cash payment (by delivery of a check or by wire transfer of immediately available funds) to Holder equal to such fraction multiplied by the current fair market value of one Warrant Share on the exercise date, as determined in good faith by the Company's board of directors.

8. Representations, Warranties, and Covenants of the Company. The Company hereby represents, warrants, and covenants as follows:

(a) All corporate action on the part of the Company necessary for the authorization, issuance (or reservation for issuance), and delivery of the Warrant Shares has been or will be taken prior to the exercise of this Warrant.

(b) This Warrant is, and any warrant issued in substitution for (or replacement of) this Warrant will be, upon issuance, duly authorized and validly issued. The Warrant Shares, when issued upon exercise of this Warrant, will be validly issued, fully paid, and nonassessable and, based in part upon Holder's representations, warranties, and covenants set forth in this Warrant, will be issued in compliance with all applicable federal and state securities laws.

(c) The issuance of this Warrant and the subsequent issuance of the Warrant Shares are not and will not be subject to any preemptive right, right of first refusal, right of first offer, or other similar right that has not been properly waived or complied with as of the date of such issuance.

(d) The Company shall pay all expenses in connection with the issuance and delivery of Warrant Shares upon exercise hereof; provided, however, that the Company shall not be required to pay any tax or governmental charge that may be imposed with respect to any applicable withholding or the issuance or delivery of Warrant Shares, and no such issuance or delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax or has established to the Company's satisfaction that such tax has been paid.

(e) The Company shall provide at least ten days prior written notice to Holder of the consummation of (i) a Change in Control, (ii) a Stock Sale, or (iii) a liquidation or dissolution of the Company.

(f) The Company shall at all times reserve and keep available out of its authorized but unissued Warrant Shares, solely for the purpose of effecting the exercise of this Warrant, that number of Warrant Shares as shall from time to time be sufficient to effect the exercise of this Warrant.

9. Representations, Warranties, and Covenants of Holder. Holder hereby represents, warrants, and covenants as follows:

(a) Investment Intent. Holder is acquiring this Warrant and the Warrant Shares to be issued upon exercise hereof (collectively, the “**Securities**”) solely for investment for his/her/its own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and Holder has no present intention of Transferring, granting any participation in, or otherwise distributing the same. Holder does not have, with respect to the Securities, any contract, agreement, arrangement, commitment, undertaking, or instrument, whether written or oral, with any Person to Transfer, grant participations in, or otherwise distribute the same to such Person or to any third Person.

(b) Accredited Investor. Holder is an “accredited investor” within the meaning of SEC Rule 501 of Regulation D, as currently in effect, and shall submit to the Company such further assurances of such status as may be reasonably requested by the Company. The residency of Holder (or, in the case of a Holder that is an entity, the office in which its investment decision was made) is correctly set forth on the signature page hereto.

(c) Disclosure of Information; Investment Experience. Holder has received, or has had full access to, all of the information he/she/it considers necessary or appropriate to make an informed investment decision with respect to the Securities. Holder has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and the business, management, properties, and financial condition of the Company. Holder has experience as an investor in securities of companies in the development stage and is able to fend for himself/herself/itself, can bear the economic risk of his/her/its investment, and has such knowledge and experience in financial or business matters that he/she/it is capable of evaluating the merits and risks of his/her/its investment in the Securities and protecting his/her/its own interests in connection with such investment. Holder acknowledges that any investment in the Securities involves an extremely high degree of risk and that the Company’s future prospects are uncertain. Holder is able, without materially impairing his/her/its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of his/her/its investment.

(d) Restricted Securities. Holder understands that the Securities have not been, and will not be, (i) registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of Holder’s investment intent and the accuracy of Holder’s representations and warranties as expressed herein or (ii) registered or qualified in any state in which they are offered. Holder also understands that the Securities are “restricted securities” under applicable federal and state securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that, pursuant to such laws, Holder must hold the Securities indefinitely unless they are registered with the SEC and qualified by state authorities or an exemption from such registration and qualification requirements is available. Holder acknowledges that the Company has no obligation to register or qualify the Securities for resale, except as expressly provided in the Subscription Agreement entered into concurrently with this Warrant. If an exemption from registration or qualification is available, it may be conditioned on various requirements, including the time and manner of sale, the holding period for the Securities, and requirements relating to the Company which are outside of Holder’s control and which the Company is under no obligation, and may not be able, to satisfy.

(e) Compliance with Securities Act; Legend. Holder, by acceptance of this Warrant, agrees not to offer or Transfer the Securities except under circumstances that will not result in a violation of the Securities Act or any other applicable securities laws. The Warrant Shares shall be stamped or imprinted with any legend required by the “blue sky” laws of any state to the extent such laws are applicable to such shares and legends in substantially the following forms:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES AND MAY NOT BE OFFERED, SOLD, OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THE SECURITIES REPRESENTED HEREBY MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE, OR TRANSFER, ASSIGNMENT, PLEDGE, OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SECURITIES.

10. Transfer. This Warrant and all rights hereunder are personal to Holder and may not be Transferred, in whole or in part, by Holder without the Company's prior written consent.

11. Rights of Stockholders. Except as expressly set forth in Section 6, until this Warrant shall have been exercised, Holder shall not be entitled to, as holder of this Warrant, nor shall anything contained herein be construed to confer upon Holder, as such, any of the rights of a stockholder of the Company, including any right to (i) vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, (ii) give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, consolidation, merger, conveyance, or otherwise), (iii) receive notice of meetings, (iv) receive dividends or subscription rights, or (v) be deemed the holder of the Warrant Shares or any other securities of the Company which may at any time be issuable upon the exercise of this Warrant.

12. Warrant Register; Replacement of Warrant; Division and Combination of Warrant.

(a) Warrant Register. The Company shall keep and properly maintain, at its principal office, books for the registration of this Warrant and any Transfers hereof. The Company may deem and treat the Person in whose name this Warrant is registered on such register as the holder hereof for all purposes, and the Company shall not be affected by any notice to the contrary, except any assignment, division, combination, or other Transfer of this Warrant effected in accordance with the provisions hereof.

(b) Replacement of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership, and the loss, theft, destruction, or mutilation, of this Warrant and either the receipt of an indemnity acceptable to the Company (in the case of loss, theft, or destruction) or surrender of this Warrant (in the case of mutilation), the Company shall, at its expense, execute and deliver in lieu of this Warrant a new warrant of like tenor as, and dated the date of, this Warrant that is being replaced.

(c) Division and Combination of Warrant. Subject to compliance with the applicable provisions of this Warrant as to any Transfer which may be involved in such division or combination, (i) this Warrant may be divided or, following any such division of this Warrant, subsequently combined with other Warrants upon the surrender of this Warrant or Warrants to the Company at its principal office together with a written notice specifying the names and denominations in which new Warrants are to be issued and signed by Holder or his/her/its agents or attorneys and (ii) the Company shall, at its expense, execute and deliver in lieu of this Warrant a new warrant or warrants in exchange for the Warrant or Warrants so surrendered in accordance with such notice. Such new warrant or warrants shall be of like tenor as, and dated the date of, the surrendered Warrant or Warrants and shall be exercisable, in the aggregate, for an equivalent number of Warrant Shares as the Warrant or Warrants so surrendered in accordance with such notice.

13. Miscellaneous.

(a) Survival. Unless otherwise provided herein, the rights and obligations of the Company and Holder shall survive the exercise of this Warrant.

(b) Governing Law; Venue. This Warrant shall be governed by and construed in accordance with the laws of the State of Wisconsin without regard to conflict-of-law principles. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Warrant shall bring the legal action or proceeding in either the United States District Court for the Western District of Wisconsin or any court of the State of Wisconsin sitting in Madison, Wisconsin (such courts, collectively, the “***Selected Courts***”). Each party hereto, for the purpose of all legal actions and proceedings arising out of or relating to this Warrant, consents to the exclusive jurisdiction of the Selected Courts and their respective appellate courts. Each party agrees that the exclusive choice of forum set forth in this Section 13(b) does not prohibit the enforcement, in that forum or any other appropriate forum, of any judgment obtained. Each party waives, to the fullest extent permitted by law, (i) any objection which such party may now or later have to the laying of venue of any legal action or proceeding arising out of or relating to this Warrant brought in any Selected Court and (ii) any claim that any legal action or proceeding brought in any such Selected Court has been brought in an inconvenient forum.

(c) Entire Agreement. This Warrant, together with the attached Exhibit, sets forth the entire agreement and understanding between the Company and Holder relating to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, discussions, representations, and warranties, both written and oral, between the parties hereto with respect to such subject matter.

(d) Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given or delivered (i) upon personal delivery, (ii) one business day after being deposited with an overnight courier service (costs pre-paid) specifying next business day delivery, with written verification of receipt, (iii) when sent by facsimile or e-mail if sent during the recipient’s normal business hours and on the next business day if sent after the recipient’s normal business hours, in each case with confirmation of transmission by the transmitting equipment, or (iv) when received or rejected by the addressee, if sent by certified or registered mail, return receipt requested, postage pre-paid, in each case to the addresses, facsimile numbers, and e-mail addresses and marked to the attention of the individuals (by name or title) designated on the signature page hereto or to such other address, facsimile number, e-mail address, or individual as such party may designate by a notice delivered to the other party hereto.

(e) Successors and Assigns; Third Party Beneficiaries. The Company may assign this Warrant, and its rights and obligations hereunder, in whole or in part, to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, sale of assets or stock, or otherwise). Except as set forth herein, (x) neither this Warrant nor any rights, duties, and obligations hereunder shall be assigned, transferred, delegated, or sublicensed by Holder without the Company's prior written consent and (y) any attempt by Holder to assign, transfer, delegate, or sublicense this Warrant or any rights, duties, or obligations hereunder, without the Company's prior written consent, shall be void. Subject to any restrictions on transfer set forth herein, this Warrant shall be binding upon, and inure to the benefit of, (i) the Company and its successors and assigns and (ii) Holder and Holder's heirs, executors, successors, assigns, administrators, and other legal representatives. Except as set forth herein, any transfer in violation of any restriction upon transfer contained in any provision hereof shall be void, unless such restriction is waived in accordance with the terms hereof. Nothing herein, express or implied, is intended to confer upon any party other than the Company and Holder or their respective successors, permitted assigns, heirs, executors, and administrators any rights, duties, or obligations under or by reason of this Warrant, except as otherwise provided in Section 9(e).

(f) Modification and Waiver. This Warrant may not be amended, modified, or supplemented except by a written instrument signed by an authorized representative of each party hereto. Any term or provision hereof may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver or extension shall be validly and sufficiently authorized for the purposes hereof if, as to any party, it is authorized in writing by an authorized representative of such party. The failure or delay of any party to enforce at any time any provision hereof shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Warrant or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach hereof shall be held to constitute a waiver of any other or subsequent breach.

(g) Severability. If any provision of this Warrant is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Warrant shall remain in full force if the essential terms and conditions of this Warrant for each party remain valid, binding, and enforceable.

(h) Interpretation. For purposes of this Warrant, (i) the words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation," (ii) the word "or" is not exclusive, (iii) the words "herein," "hereof," "hereby," "hereto," "hereunder," and words of similar import refer to this Warrant as a whole, and (iv) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding." Unless the context otherwise requires, references herein: (A) to a Section or an Exhibit mean a Section or an Exhibit of, or attached to, this Warrant; (B) to agreements, instruments, and other documents shall be deemed to include all subsequent amendments, supplements, and other modifications thereto; (C) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules and regulations promulgated thereunder; and (D) to any Person includes such Person's successors and assigns, but, if applicable, only if such successors and assigns are not prohibited by this Warrant. The Exhibit attached hereto shall be construed with, and as an integral part of, this Warrant to the same extent as if it was set forth verbatim herein. The titles, captions, and headings herein are for convenience of reference only and shall not affect the meaning or interpretation hereof. This Warrant shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

(i) Counterparts. The parties may execute this Warrant in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one document. The signatures of all of the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile, e-mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com), or other means of electronic transmission is as effective as executing and delivering this Warrant in the presence of the other party hereto.

(j) Cumulative Remedies. The rights and remedies provided in this Warrant are cumulative and are not exclusive of, and are in addition to and not in substitution for, any other rights or remedies available at law, in equity, or otherwise.

(k) Waiver of Jury Trial. **EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES SUCH PARTY'S RIGHT TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS WARRANT. THIS WAIVER APPLIES TO ANY LEGAL ACTION OR PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. EACH PARTY ACKNOWLEDGES THAT SUCH PARTY HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL.**

[signature page follows]

IN WITNESS WHEREOF, the Company has duly executed this Warrant on the date first written above.

COMPANY:

Sonic Foundry, Inc.
a Maryland corporation

By: _____

Name:

Title:

Address: _____

E-mail: _____

Attention: _____

AGREED AND ACCEPTED:

[name]

By: _____

Name:

Title:

Address: _____

E-mail: _____

Attention: _____

Signature Page to Warrant

EXHIBIT A

NOTICE OF EXERCISE

TO: Sonic Foundry, Inc.
222 West Washington Ave.
Madison, WI 53703
E-mail: ken.minor@sonicfoundry.com
Attention: Chief Financial Officer

1. The undersigned hereby elects to purchase _____ shares of _____ (the "**Purchase Shares**") pursuant to the terms of the attached Warrant.

2. Method of Exercise (*Please check the applicable blank*):

___ The undersigned elects to exercise the attached Warrant by means of a cash payment and tenders herewith payment in full for the purchase price of the Purchase Shares, together with all applicable transfer taxes (if any).

___ The undersigned elects to exercise the attached Warrant by means of the net exercise provisions of Section 4 of the attached Warrant.

3. Please register the Purchase Shares in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(Date)

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “Agreement”), dated as of July 20, 2021, is by and between Sonic Foundry, Inc. (the “Company”) and [name] (the “Investor”).

WHEREAS, the Company and the Investor have entered into that certain Subscription Agreement, dated as of the date hereof (the “Subscription Agreement”), pursuant to which the Investor shall purchase \$[amount] worth of securities issued by the Company as provided for in the Subscription Agreement;

WHEREAS, pursuant to the terms of, and in partial consideration for the Investor entering into, the Subscription Agreement, the Company has issued to the Investor a warrant (the “Warrant”), exercisable from time to time within five (5) years following the date of issuance for the purchase of an aggregate of up to [amount] shares of the Company’s common stock at a price specified in such Warrant; and

WHEREAS, pursuant to the terms of, and in partial consideration for, the Investor’s agreement to enter into the Subscription Agreement, the Company has agreed to provide the Investor with certain registration rights as set forth herein.

NOW, THEREFORE, in consideration of the premises, the representations, warranties, covenants and agreements contained herein, in the Warrant, and in the Subscription Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I REGISTRATION RIGHTS

Section 1.1. Registration Statement.

(a) Filing of the Registration Statement. Upon the terms and subject to the conditions set forth in this Agreement, the Company shall file with the U.S. Securities and Exchange Commission (the “Commission”), within six months after the date hereof, a registration statement on Form S-3 under the Securities Act of 1933, as amended (the “Securities Act”), or such other form as deemed appropriate by counsel to the Company for the registration (the “Registration Statement”) for the resale by the Investor of the securities purchased pursuant to the Subscription Agreement and shares acquired pursuant to the exercise of the Warrant (the “Registrable Securities”).

(b) Effectiveness of the Registration Statement. The Company shall use commercially reasonable efforts (i) to have the Registration Statement declared effective by the Commission as soon as reasonably practicable, and (ii) to ensure that the Registration Statement remains in effect throughout the term of this Agreement as set forth in Section 4.2, subject to the terms and conditions of this Agreement.

ARTICLE II REGISTRATION PROCEDURES

Section 2.1. Filings: Information. The Company shall use commercially reasonable efforts to effect the registration with respect to the sale of the Registrable Securities by the Investor in accordance with the intended methods of disposition thereof. Without limiting the foregoing, the Company in each such case will use commercially reasonable efforts to do the following as expeditiously as possible:

(a) The Company shall (i) prepare and file with the Commission the Registration Statement; (ii) use commercially reasonable efforts to cause such filed Registration Statement to become and to remain effective (pursuant to Rule 415 under the Securities Act or otherwise); (iii) prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith (“Prospectus”) as may be necessary to keep such Registration Statement effective for the time period prescribed by Section 4.2 and in order to effectuate the purpose of this Agreement, the Subscription Agreement, and the Warrant; and (iv) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the Investor set forth in such Registration Statement; provided, however, that the Investor shall be responsible for the delivery of the Prospectus to the Persons to whom the Investor sells the shares and the Investor agrees to dispose of Registrable Securities in compliance with the plan of distribution described in the Registration Statement and otherwise in compliance with applicable federal and state securities laws.

(b) Two (2) business trading days prior to filing the Registration Statement or Prospectus, or any amendment or supplement thereto (excluding amendments or supplements deemed to result from the filing of documents incorporated by reference therein), the Company shall deliver to the Investor and to counsel representing the Investor, in accordance with the notice provisions of Section 4.8, copies of the Registration Statement, Prospectus and/or any amendments or supplements thereto as proposed to be filed, together with exhibits thereto, which documents will be subject to review by the Investor and such counsel, and thereafter deliver to the Investor and such counsel, in accordance with the notice provisions of Section 4.8, such number of copies of the Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), the Prospectus (including each preliminary prospectus) and such other documents or information as the Investor or counsel may reasonably request in order to facilitate the disposition of the Registrable Securities.

(c) The Company shall deliver, in accordance with the notice provisions of Section 4.8, to each seller of Registrable Securities covered by the Registration Statement such number of conformed copies of the Registration Statement and of each amendment and supplement thereto (in each case including all exhibits and documents incorporated by reference), such number of copies of the Prospectus (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 promulgated under the Securities Act relating to such seller’s Registrable Securities, and such other documents, as such seller may reasonably request to facilitate the disposition of its Registrable Securities.

(d) After the filing of the Registration Statement, the Company shall promptly notify the Investor of any stop order issued or threatened by the Commission in connection therewith and take all commercially reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(e) The Company shall use commercially reasonable efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of each jurisdiction in the United States as the Investor may reasonably (in light of its intended plan of distribution) request, and (ii) cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary by virtue of the business and operations of the Company and do any and all other customary acts and things that may be reasonably necessary or advisable to enable the Investor to consummate the disposition of the Registrable Securities; provided, however, that the Company will not be required to qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 2.1(e), subject itself to taxation in any such jurisdiction, consent or subject itself to general service of process in any such jurisdiction, change any existing business practices, benefit plans or outstanding securities or amend or otherwise modify the Company’s articles of incorporation and/or by-laws.

(f) The Company shall make available to the Investor (and will deliver to Investor's counsel), (A) subject to restrictions imposed by the United States federal government or any agency or instrumentality thereof, copies of all public correspondence between the Commission and the Company concerning the Registration Statement and will also make available for inspection by the Investor and any attorney, accountant or other professional retained by the Investor (collectively, the "Inspectors"), (B) upon reasonable advance notice during normal business hours all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers and employees to supply all information reasonably requested by any Inspector in connection with the Registration Statement; provided, however, that any such Inspectors must agree in writing for the benefit of the Company not to use or disclose any such Records except as provided in this Section 2.1(f). Records that the Company determines, in good faith, to be confidential and that it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless the disclosure or release of such Records is requested or required pursuant to oral questions, interrogatories, requests for information or documents or a subpoena or other order from a court of competent jurisdiction or other judicial or governmental process; provided, however, that prior to any disclosure or release pursuant to the immediately preceding clause, the Inspectors shall provide the Company with prompt notice of any such request or requirement so that the Company may seek an appropriate protective order or waive such Inspectors' obligation not to disclose such Records; and, provided, further, that if failing the entry of a protective order or the waiver by the Company permitting the disclosure or release of such Records, the Inspectors, upon advice of counsel, are compelled to disclose such Records, the Inspectors may disclose that portion of the Records that counsel has advised the Inspectors that the Inspectors are compelled to disclose; provided, however, that upon any such required disclosure, such Inspector shall use his or her best efforts to obtain reasonable assurances that confidential treatment will be afforded such information. The Investor agrees that information obtained by it solely as a result of such inspections (not including any information obtained from a third party who, insofar as is known to the Investor after reasonable inquiry, is not prohibited from providing such information by a contractual, legal or fiduciary obligation to the Company) shall be deemed confidential and shall not be used for any purposes other than as indicated above or by it as the basis for any market transactions in the securities of the Company or its affiliates unless and until such information is made generally available to the public. The Investor further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(g) The Company shall otherwise comply with all applicable rules and regulations of the Commission, including, without limitation, compliance with applicable reporting requirements under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(h) The Company shall appoint a transfer agent and registrar for all of the Registrable Securities covered by such Registration Statement not later than the effective date of such Registration Statement.

(i) The Investor shall cooperate with the Company, as reasonably requested by the Company, in connection with the preparation and filing of any Registration Statement hereunder. The Company may require the Investor to promptly furnish in writing to the Company such information as may be required in connection with such registration including, without limitation, all such information as may be requested by the Commission or self-regulatory organization or any state securities commission and all such information regarding the Investor, the Registrable Securities held by the Investor and the intended method of disposition of the Registrable Securities. The Investor agrees to provide such information requested in connection with such registration within two (2) business trading days after receiving such written request and the Company shall not be responsible for any delays in obtaining or maintaining the effectiveness of the Registration Statement caused by the Investor's failure to timely provide such information.

(j) Upon receipt of a blackout notice from the Company, the Investor shall immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until (i) the Company advises the Investor that the blackout period has terminated and (ii) the Investor receives copies of a supplemented or amended prospectus, if necessary. If so directed by the Company, the Investor will deliver to the Company (at the expense of the Company) or destroy (and deliver to the Company a certificate of destruction) all copies in the Investor's possession (other than a limited number of file copies) of the prospectus covering such Registrable Securities that is current at the time of receipt of such notice.

(k) The Investor shall not take any action with respect to any distribution deemed to be made pursuant to the Registration Statement, which would constitute a violation of Regulation M under the Exchange Act or any other applicable rule, regulation or law.

Section 2.2. Registration Expenses. The Company shall pay all registration expenses incurred in connection with the Registration Statement (the "Registration Expenses"), including, without limitation: (i) all registration, filing, securities exchange listing and fees required by the applicable self regulatory organization, (ii) all registration, filing, qualification and other fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) all word processing, duplicating, printing, messenger and delivery expenses, (iv) the Company's internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred by the Company in connection with the listing of the Registrable Securities, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company, and (vii) the fees and expenses of any special experts retained by the Company in connection with such registration and amendments and supplements to the Registration Statement and Prospectus. Any fees and disbursements of underwriters, broker-dealers or investment bankers, including without limitation underwriting fees, discounts, transfer taxes or commissions, and any other fees or expenses (including legal fees and expenses) if any, attributable to the sale of Registrable Securities, shall be payable by each holder of Registrable Securities pro rata on the basis of the number of Registrable Securities of each such holder that are included in a registration under this Agreement.

ARTICLE III INDEMNIFICATION

Section 3.1. Indemnification.

(a) Company Indemnification. The Company agrees to indemnify and hold harmless the Investor, its partners, Affiliates, officers, directors, employees and duly authorized agents, and each Person or entity, if any, who controls the Investor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Controlling Persons"), from and against any loss, claim, damage, liability, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements and costs and expenses of investigating and defending any such claim) (collectively, "Damages"), joint or several, and any action or proceeding in respect thereof to which the Investor, its partners, affiliates, officers, directors, employees and duly authorized agents, and any Controlling Person, may become subject under the Securities Act or otherwise, as incurred, insofar as such Damages (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, or in any preliminary prospectus, final prospectus, summary prospectus, amendment or supplement relating to the Registrable Securities or arises out of, or are based upon, any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein under the circumstances not misleading, and shall reimburse the Investor and each such Controlling Person, for any legal and other expenses reasonably incurred by the Investor or any such Controlling Person, as incurred, in investigating or defending or preparing to defend against any such Damages or actions or proceedings; provided, however, that the Company shall not be liable (i) to the extent that any such Damages arise out of the Investor's (or any other indemnified Person's) failure to send or give a copy of the final prospectus or supplement (as then amended or supplemented) to the persons asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such person if such statement or omission was corrected in such final prospectus or supplement; (ii) to the extent that any such Damages arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement, or any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Investor or any other person who participates as an underwriter in the offering or sale of such securities, in either case, specifically stating that it is for use in the preparation thereof; or (iii) to the extent any such Damages arise out of the sale by the Investor of Registrable Securities during a Blackout Period.

(b) **Investor Indemnification.** In connection with any Registration Statement with respect to which the Investor is participating, such Investor will indemnify and hold harmless, to the same extent and in the same manner as set forth in the preceding paragraph, the Company, each of its directors, officers, each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each a “Company Indemnified Person”) against any Damages to which any Company Indemnified Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Damages arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, or in any preliminary prospectus, final prospectus, summary prospectus, amendment or supplement relating to the Registrable Securities or arising out of, or are based upon, any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein under the circumstances not misleading to the extent that such violation occurs in reliance upon and in conformity with written information furnished to the Company by the Investor or on behalf of the Investor expressly for use in connection with such Registration Statement, (ii) any failure by the Investor to comply with prospectus delivery requirements of the Securities Act, the Exchange Act or any other law or legal requirement applicable to sales under the Registration Statement or (iii) any sale by the Investor of Registrable Securities during a Blackout Period.

Section 3.2. Additional Indemnification. Indemnification similar to that specified in the preceding paragraphs of this Article III (with appropriate modifications) shall be given by the Company with respect to any required registration or other qualification of securities under any federal or state law or regulation of any governmental authority other than the Securities Act. The provisions of this Article III shall be in addition to any other rights to indemnification, contribution or other remedies which an Indemnified Party or a Company Indemnified Person may have pursuant to law, equity, contract or otherwise. To the extent that any indemnification provided for herein is prohibited or limited by law, the indemnifying party will make the maximum contribution with respect to any amounts for which it would otherwise be liable under this Article III to the fullest extent permitted by law. However, (a) no contribution will be made under circumstances where maker of such contribution would not have been required to indemnify the indemnified party under the fault standards set forth in this Article III, (b) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation, and (c) contribution (together with any indemnification obligations under this Agreement) by any seller of Registrable Securities will be limited in amount of proceeds received by such seller from the sale of such Registrable Securities.

**ARTICLE IV
MISCELLANEOUS**

Section 4.1. Term. The registration rights provided to the holders of Registrable Securities hereunder, and the Company's obligation to keep the Registration Statement effective, shall terminate at the earlier of (i) such time that is two years following the termination of the date hereof, or (ii) such time as all Registrable Securities have been issued and have ceased to be Registrable Securities. Notwithstanding the foregoing, Article III and Section 4.8 shall survive the termination of this Agreement.

Section 4.2. Rule 144. The Company will, at its expense, promptly take such action as holders of Registrable Securities may reasonably request to enable such holders of Registrable Securities to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act ("Rule 144"), as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. If at any time the Company is not required to file such reports, it will, at its expense, forthwith upon the written request of any holder of Registrable Securities, make available adequate current public information with respect to the Company within the meaning of paragraph (c)(2) of Rule 144 or such other information as necessary to permit sales pursuant to Rule 144. Upon the request of the Investor, the Company will deliver to the Investor a written statement, signed by the Company's principal financial officer, as to whether it has complied with such requirements.

Section 4.3. Certificate. The Company will, at its expense, forthwith upon the request of any holder of Registrable Securities, deliver to such holder a certificate, signed by the Company's principal financial officer, stating (a) the Company's name, address and telephone number (including area code), (b) the Company's Internal Revenue Service identification number, (c) the Company's Commission file number, (d) the number of shares of each class of stock outstanding as shown by the most recent report or statement published by the Company, and (e) whether the Company has filed the reports required to be filed under the Exchange Act for a period of at least ninety (90) days prior to the date of such certificate and in addition has filed the most recent annual report required to be filed thereunder.

Section 4.4. Amendment and Modification. Any provision of this Agreement may be waived, provided that such waiver is set forth in a writing executed by both parties to this Agreement. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of the holders of a majority of the then outstanding Registrable Securities. Notwithstanding the foregoing, the waiver of any provision hereof with respect to a matter that relates exclusively to the rights of holders of Registrable Securities whose securities are being sold pursuant to a Registration Statement and does not directly or indirectly affect the rights of other holders of Registrable Securities may be given by holders of at least a majority of the Registrable Securities being sold by such holders; provided that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence. No course of dealing between or among any Person having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

Section 4.5. Successors and Assigns; Entire Agreement. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Investor may assign its rights under this Agreement to any subsequent holder of the Registrable Securities (unless sold pursuant to an effective registration statement or in accordance with Rule 144 under the Securities Act), provided that the Company shall have the right to require any holder of Registrable Securities to execute a counterpart of this Agreement as a condition to such holder's claim to any rights hereunder. The Company may assign this Agreement at any time in connection with a sale or acquisition of the Company, whether by merger, consolidation, sale of all or substantially all of the Company's assets, or similar transaction, without the consent of the Investor or other holders of Registrable Securities, provided that the successor or acquiring Person or entity agrees in writing to assume all of the Company's rights and obligations under this Agreement. This Agreement, together with the Subscription Agreement and the Warrant(s) sets forth the entire agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and understandings of any and every nature among them.

Section 4.6. Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that such severability shall be ineffective if it materially changes the economic benefit of this Agreement to any party hereto.

Section 4.7. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be given in accordance with the terms and conditions of the Subscription Agreement.

Section 4.8. Governing Law; Dispute Resolution. This Agreement shall be construed under the laws of the State of Wisconsin. Any dispute arising out of or relating to this Agreement shall be resolved by means of arbitration.

Section 4.9. Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect their meaning, construction or effect.

Section 4.10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute one and the same instrument.

Section 4.11. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

Section 4.12. Absence Of Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

Sonic Foundry, Inc.

By: _____
Joe Mozden
CEO

By: _____
[name]