

**POLICY STATEMENT
ON
INSIDE INFORMATION AND SECURITIES TRADING
BY
MAKEMUSIC, INC. REPRESENTATIVES**

SUMMARY

You are receiving this Policy Statement on Inside Information and Securities Trading (the “Policy Statement”) because you are a director, officer, employee or another type of representative of MakeMusic, Inc. (“MakeMusic” or “Company”), who may have access to material, non-public information (so-called “inside information”) about the Company and its customers, suppliers and other business partners. Inside information is information that is not available to the public, but that an investor might consider important in deciding whether to buy or sell a company’s securities. Such information includes any information, whether positive or negative, that has not been publicly announced and is likely to affect the public market price for a company’s stock, such as new product introductions, the addition or loss of a significant customer or supplier, a significant change in the level of business with an existing customer or supplier and discussions of potential acquisitions or mergers.

Both federal securities laws and Company policy prohibit transactions in the Company’s securities at a time when you may be in possession of inside information about the Company. In addition, you are also prohibited from buying or selling the securities of a customer or supplier when you have received, through your employment or other relationship with MakeMusic, inside information about that customer or supplier. Once material information has been publicly announced by press release or similar means, you should not trade in securities of the respective company, including through derivative securities, until the next business day, provided twenty-four hours has elapsed (*e.g.*, announcement at 10:00 a.m. Monday, trade at 10:00 a.m. Tuesday; announcement at 2:00 p.m. Friday, trade at 2:00 p.m. Monday). Anyone who violates these prohibitions may face criminal and civil penalties and disciplinary action by the Company.

These prohibitions also apply to members of your household, your affiliates, and all others whose transactions may be attributable to you. This means that you should be careful not to disclose inside information to anyone outside the Company, or anyone inside the Company without a need to know. You could face disciplinary action, as well as be criminally and civilly liable for aiding and abetting insider trading, if you disclose inside information to another person and that person trades in the Company’s securities on the basis of the information you provided. **Any questions from brokers, securities analysts or the media regarding the Company, or its customers, suppliers or other business partners, should be directed to the Chief Financial Officer.**

For further information and guidance, please refer to the entire Policy Statement set forth below, or contact the Chief Financial Officer.

The Need For a Policy Statement

The Company's stock is publicly traded; therefore, the Company is required to take active steps to prevent violations of insider trading laws by its directors, officers, employees and certain other representatives. Insider trading has long been illegal, and Congress has given the Securities and Exchange Commission ("SEC") and the Justice Department significant enforcement authority to prevent insider trading. This includes the ability to impose substantial civil and criminal penalties on persons who effect trades while in possession of inside information, as well as on companies and other "controlling persons," such as directors, for violations by company personnel or other representatives.

We are adopting this Policy Statement to avoid even the appearance of improper conduct on the part of anyone employed by or associated with MakeMusic (because anyone with non-public information is considered an "insider"). We have all worked to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

The Consequences

The consequences of insider trading violations can be severe:

For individuals who trade on inside information (or tip information to others):

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to five million dollars; and
- A jail term of up to twenty years.

For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:

- A civil penalty of the greater of one million dollars or three times the profit gained or loss avoided as a result of the individual's violation; and
- A criminal penalty of up to twenty-five million dollars.

The civil penalties may extend personal liability to the Company's directors, officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading. In addition, any director, officer, employee or representative who violates this Policy Statement faces discipline, up to dismissal or removal for cause. Needless to say, any of the above consequences, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

Our Policy

If a Company director, officer, employee or representative has inside information relating to the Company, it is our policy that neither that person nor any family member, other household member, or affiliate of that person may buy or sell Company securities or engage in any other action to take advantage of, or to pass on to others, that information. This policy also applies to information relating to any other company, including our customers, suppliers or other business partners, obtained in the course of the individual's employment or other relationship with MakeMusic.

You may be required from time to time to forego a proposed transaction in the Company's securities even if you planned to make the transaction before learning of the inside information and even though you believe that you may suffer an economic loss or forego anticipated profit by waiting. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct, and to avoid an inquiry regarding civil and criminal liability for trading on inside information.

Material Information. Material information is any information (either positive or negative) that a reasonable investor would consider important in a decision to buy, hold or sell securities. In short, material information is any information that could reasonably be expected to affect the price of securities.

Examples. Common examples of information regarded as material include, but are not limited to:

- The Company's financial results;
- projections of future earnings or losses;
- news of a pending or proposed merger, acquisition, or tender offer;
- news of a significant sale of assets;
- changes in dividend policies, the declaration of a securities split, or the offering of additional securities;
- changes in management;
- impending bankruptcy or financial liquidity problems;
- the gain or loss of a substantial customer or supplier or a substantial change in business with a customer or supplier;
- new product announcements;
- significant product defect or modification; and
- significant litigation exposure due to actual or threatened litigation.

20/20 Hindsight. Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any securities transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Transactions By Family Members. The very same restrictions apply to your family members, others living in your household, and your affiliates. The Company's directors, officers, employees and other specified representatives are expected to be responsible for compliance by their immediate family, personal household and affiliates.

Disclosing Inside Information To Others. Whether information you obtain through your relationship with MakeMusic is proprietary information about the Company or one of its business partners or information that could have an impact on the price of the Company's or such business partner's stock, you must not pass the information on to others. The penalties above apply whether or not you personally derive any benefit from another's actions. In order to prevent unintentional disclosure, all inquiries and requests for information regarding the Company or the Company's customers, suppliers or other business partners (e.g., from the media, securities brokers or securities analysts) should be referred to the Chief Financial Officer.

Online Activities. Other than at the direction of an officer of the Company, or, with respect to directors, upon formal or informal authorization of the Board, it is improper for persons subject to this

Policy Statement to participate in Internet discussion groups, message boards or chat rooms with respect to the Company, including the Company's business, technology, financial projections and stock performance, or to disclose information about the Company, its customers, suppliers and other business partners on social media websites, in blogs, or in any other online setting.

Dealing with Rumors. In general, the Company will not comment on rumors about its business affairs, its products and services, or its stock price. Occasionally, a rumor about the Company may begin to affect the market price of the Company's securities. In such cases, the Company, in consultation with legal counsel, will promptly assess the nature and significance of the rumor, and may publicly dispel or confirm the rumor. Directors, officers, employees and other representatives of the Company who become aware of a rumor that seems likely to affect the market price of the Company's securities should promptly inform the Company's Chief Financial Officer. In addition, various securities laws prohibit the circulation of rumors where the underlying intent is to manipulate the price of publicly traded securities. You should always refrain from conveying rumors about the Company to anyone.

When Information is Public. It is improper for persons subject to this Policy Statement to enter into a trade immediately after MakeMusic has publicly disclosed material information, including earnings releases. You should not engage in any transactions until the next business day, provided at least twenty-four hours has elapsed since the information has been released. This delay is intended to afford the Company's shareholders and the investing public time to receive the information and act upon it. Thus, if an announcement is made at 10:00 a.m. Monday, 10:00 a.m. Tuesday would be the first time at which you may trade, assuming you do not have other inside information. If an announcement is made at 2:00 p.m. Friday, you would be permitted to trade beginning at 8:00 a.m. Monday, again assuming you do not have other inside information, and provided that such trades occur in accordance with the terms of this Policy Statement.

Trading Windows. Because directors, officers, and certain other employees and representatives as may be designated from time to time by MakeMusic's Chief Financial Officer (collectively, "Designated Persons") have regular access to inside information, such persons may engage in stock transactions only during certain window periods (stock options may be exercised at any time so long as trading in the shares acquired pursuant to such exercise does not occur outside the window period). The window during which trades generally will be permitted, provided such trades are entered into after providing pre-transaction notification (see below) and provided that the person engaging in the transaction is not in possession of material non-public information, will begin with the next business day, and at least twenty-four hours, following the release of earnings information and end 15 (fifteen) calendar days prior to the end of the then-current quarter (such windows are referred to herein as "Trading Windows" or a "Trading Window"). In connection with *all* trades, regardless of date, it is important to remember that it is *always* illegal to trade on inside information.

Event-specific Blackout Periods. Trading Windows may be shortened if the Company determines that an event has occurred which causes any Designated Person to possess inside information about the Company, such as a pending major development. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a Designated Person provides pre-transaction notification, the person will be informed of the existence of a blackout period, but not the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. Even if the Company has not declared an event-specific blackout, no Designated Person should trade while aware of inside information.

Pre-Transaction Notification. To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where a person engages in a trade while unaware of a pending major development), Designated Persons, together with their family members, other members of their household and their affiliates, who contemplate in engaging in any transaction in MakeMusic securities (stock option exercises, acquisitions, dispositions, transfers, gifts, etc.) or in securities of a customer, supplier or other business partner of MakeMusic, must notify the Chief Financial Officer or such officer's designee, at least two business days in advance of the proposed transaction. Upon confirmation from the Chief Financial Officer or such officer's designee of the existence of a Trading Window, such pre-transaction notification is valid for two business days. Even if the Chief Financial Officer or such officer's designee confirms the existence of a Trading Window, a person may not engage in the transaction if he or she becomes aware of inside information concerning the Company prior to completing the transaction. If the Company's Chief Financial Officer contemplates engaging in any such transaction, he or she shall provide pre-transaction notification to the Chief Executive Officer.

The pre-transaction notification procedures set forth above will not apply in a limited number of circumstances, as follows:

- The exercise of stock options, except that the pre-transaction notification procedures do apply to open market sales of shares acquired through the exercise of any options, including broker-assisted cashless exercises and any other method of exercise that involves the open market sale of Company securities. Furthermore, stock option exercises are subject to the terms of the Company's governing stock option and incentive plans and any agreements entered into between the Company and the holders of such options.
- The payment of withholding or employment-related or other taxes by tendering previously-held shares of Company stock or by having shares withheld that would otherwise be issuable upon the exercise of an option, the vesting of restricted shares, or the award or vesting of other stock-based awards granted pursuant to the Company's incentive plans.
- The purchase of MakeMusic securities under any employee stock purchase plan that may be adopted by the Company, under which a Designated Person would make periodic contributions of money to the plan pursuant to a payroll deduction election, except pre-transaction notification would apply to: (a) the initial election to make such contributions, (b) any subsequent modifications to increase or decrease the percentage of contributions made during each pay period, and (c) the termination of contributions.
- Transactions executed pursuant to a contract, instruction or plan that satisfies Rule 10b5-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), so long as the underlying contract, instruction or plan itself complies with the requirements and pre-transaction notification procedures set forth in this Policy Statement.

Additional Discouraged and Prohibited Transactions

In order to avoid even the appearance of the use of inside information and to discourage short-term or speculative transactions involving Company securities, MakeMusic strongly discourages persons subject to this Policy Statement from engaging in any of the following activities with respect to MakeMusic securities:

- **Trading in Company securities on a short-term basis.** The Company encourages you to hold Company securities purchased in the open market for a minimum of six months and ideally

longer. (Note that the SEC's short-swing profit rule already prevents directors and officers from selling any Company securities within six months of a purchase. We are simply expanding this rule as a strong suggestion to all other persons subject to this Policy Statement.) This restriction does not apply to Company stock that you acquire upon exercise of an option, provided that the plan or agreement under which the award was granted is registered with the Securities & Exchange Commission on a Form S-8, you do not have inside information at the time of sale, and, if you are an officer, director or "affiliate" (as defined under the Securities Act of 1933, as amended), you observe additional restrictions under Rule 144 of the Securities Act and the Trading Window and pre-transaction notification provisions set forth in this Policy Statement.

- Purchases on margin or short sales. Persons subject to this Policy Statement must not "margin" MakeMusic securities, whether for the purchase of MakeMusic securities or any other securities (to "margin" is to use securities as collateral for a loan from a broker in order to purchase either securities of the same class or other securities). Such persons also shall not "sell short" MakeMusic securities (a "short sale" is a sale of shares which the seller does not own but expects to purchase in the future at a lower price).
- Buying or selling puts or calls on MakeMusic securities. Persons subject to this Policy Statement are prohibited from buying and selling "puts" and "calls" on MakeMusic securities.

Rule 10b5-1 Trading Arrangements

Notwithstanding the restrictions set forth elsewhere in this Policy Statement, transactions that satisfy the following criteria will not be prohibited:

1. Purchases or sales that occur pursuant to any of the following:
 - a. a binding contract to purchase or sell the security;
 - b. instructions to another person to purchase or sell the security for the instructing person's account; or
 - c. a written plan for trading securities;

which is delivered in writing to the Company's Chief Financial Officer, provided the person proposing such contract, instruction or plan is not then aware of any material, non-public information concerning the Company and the first transaction pursuant to the contract, instruction or plan does not take place until at least 30 calendar days after delivery to the Company's Chief Financial Officer or such officer's designee. In addition, if the person proposing such contract, instruction or plan is a director or officer of the Company or otherwise subject to the Trading Window set forth in this Policy statement, such contract, instruction or plan must be adopted during a Trading Window. If the Company's Chief Financial Officer proposes entering into a contract, instruction or plan, he or she shall provide pre-transaction notification to the Company's Chief Executive Officer.

2. In addition, the contract, instruction or plan referenced in paragraph 1 above must comply with at least one of the following:

- a. The contract, instruction or plan specifies the amount of securities to be purchased or sold and the price at which and the date on which the securities are to be purchased or sold;
- b. The contract, instruction or plan includes a written formula or algorithm, or computer program, for determining the amount of securities to be purchased or sold and the price at which and the date on which the securities were to be purchased or sold; or
- c. The contract, instruction or plan does not permit the person to exercise any subsequent influence over how, when, or whether to effect purchases or sales; provided, in addition, that any other person who, pursuant to the contract, instruction, or plan did exercise such influence must not have been aware of any material nonpublic information of the Company when doing so.

For purposes of the foregoing paragraphs 1 and 2, the following definitions shall apply:

- a. “Amount” means either a specified number of shares or other securities or a specified dollar value of securities.
- b. “Price” means the market price on a particular date or a limited price, or a particular dollar price.
- c. “Date” means, in the case of a market order, the specific day of the year on which the order is to be executed (or as soon thereafter as is practicable under ordinary principles of best execution), or in the case of a limit order, a day of the year on which the limit order is enforced.

Additional Requirements

Persons who adopt a contract, instruction or plan pursuant to the criteria set forth above may not thereafter deviate from the plan or engage in any corresponding or hedging transaction or positions. Amendments to or terminations of the contract, instruction or plan are permitted, provided that at the time of such amendment or termination the person undertaking the amendment or termination does not have any material, non-public information regarding the Company, and provided that the first transaction pursuant to the amended contract, instruction or plan does not occur (or, in the case of a terminated plan, is not scheduled to occur) until at least 30 calendar days after providing the notice required by Paragraph 1 above. In addition, if the person undertaking the amendment is a director or officer of the Company or otherwise subject to the Trading Window provisions of this Policy statement, such amendment must be entered into during a Trading Window. Each person will remain responsible for complying with Rule 144 provisions, if applicable.

The Company may choose to publicly announce any contract, instruction or plan adopted pursuant to Rule 10b5-1. Such public disclosure may be included in the Company’s proxy statement, press releases, on the Company’s website and/or through a current or periodic report filed with the SEC.

401(k) Plan

The prohibitions included in this Policy Statement do not apply to your receipt of Company stock in connection with stock matching contributions that may occur pursuant to the Company’s 401(k) Plan. However, if such stock matching contributions occur, the prohibitions included in the Policy Statement would apply to certain elections you may make under the 401(k) Plan, including, if applicable (a) an

election to increase or decrease the percentage of your 401(k) stock matching contribution by the Company that will be allocated to the Company stock fund, (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) an election to borrow money against your 401(k) Plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (d) your election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Post-Termination Transactions

This Policy Statement continues to apply to your transactions in Company securities even after you have terminated employment or other services to the Company as follows: if you are aware of inside information when your employment or service relationship terminates, you may not trade in Company securities until one business day after that information has become public or is no longer material.

Certification

Directors, officers, employees and other Company representatives may be required on a periodic basis to certify their understanding of and intent to comply with this Policy Statement. Designated Persons may be required on a periodic basis to provide an additional acknowledgement regarding the Trading Window and pre-transaction notification provisions of this Policy Statement.

Company Assistance

Any person who has any general questions about this Policy Statement or questions about specific transactions should contact the Chief Financial Officer. Remember, however, the ultimate responsibility for adhering to the Policy Statement and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

[Letter to Employees and Certification]

RE: Certification of Policy Statement on Inside Information and Securities Trading

Dear MakeMusic Representatives:

Enclosed is a copy of the Company's Policy Statement covering non-public information and securities trading by MakeMusic personnel and other representatives. As you will see from the Policy Statement, the consequences of an insider trading violation can be severe to both the individual involved and MakeMusic.

Please take a few minutes right now to read the enclosed Policy Statement and then sign and return the attached copy of this letter to me.

Sincerely,

Karen VanDerBosch
Chief Financial Officer

Certification

The undersigned hereby certifies that he/she has read and understands, and agrees to comply with, the Company's Policy Statement on Inside Information and Securities Trading, a copy of which was received by the undersigned.

Date: _____

Signature

Name (please print)

[If applicable: The undersigned further certifies that he/she understands that he/she is a Designated Person as described in the Company's Policy Statement on Inside Information and Securities Trading, and is therefore subject to additional restrictions on trading, including compliance with the trading Window and pre-transaction notification requirements set forth therein.]

Date: _____

Signature

Name (please print)