



Appendix 1

CONTINUOUS DISCLOSURE POLICY

Effective Date: 19 December 2011
Replaces: 26 March 2007
Recommended: General Counsel & Company
Secretary
Authorised: Board

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1. INTRODUCTION AND APPLICATION

In accordance with the continuous disclosure obligations under the Corporations Act 2001 (Cth) (Corporations Act), the Listing Rules of the Australian Securities Exchange (ASX) and good corporate governance, Sigma has adopted this Continuous Disclosure Policy and Procedure (Policy).

For the purposes of this Policy, "Sigma" means Sigma Pharmaceuticals Limited (SPL), and its controlled entities. "Sigma Securities" means the shares in SPL quoted on the ASX.

This Policy applies to all of Sigma's directors, senior executives, employees, officers and contractors occupying permanent or part time fixed term contracts, and their associates (collectively, Personnel).

2. PURPOSE

This Policy sets out Sigma's policy and procedure in relation to continuous disclosure. It establishes a best practice procedure for compliance with Sigma's continuous disclosure obligations, provides guidance for the identification of material information and requires the reporting of such information to the Company Secretary for review.

This Policy also seeks to ensure that Sigma and all Personnel are aware of the penalties for contravening the Corporations Act and the ASX Listing Rules.

3. SIGMA'S CONTINUOUS DISCLOSURE OBLIGATIONS

3.1 THE DISCLOSURE OBLIGATION

ASX Listing Rule 3.1 requires that Sigma immediately notify the ASX of any information of which Sigma becomes aware concerning Sigma that a reasonable person would expect to have a material effect on the price or value of any securities issued by Sigma.

Disclosure under ASX Listing Rule 3.1 is not required where each of the following conditions is and remains satisfied:

- a reasonable person would not expect the information to be disclosed; and
- the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- one or more of the following conditions apply:
 - it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated solely for the internal management purposes of Sigma; or
 - the information is a trade secret.

As soon as any of these elements are no longer satisfied (for example, the information is reported in the media and is therefore no longer confidential), Sigma must immediately comply with its continuous disclosure obligations.

3.2 MATERIAL EFFECT ON THE PRICE OR VALUE OF SECURITIES

A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

In forming a view as to whether a reasonable person would consider information to be material, previous disclosure to the market should be considered, for example previously released profit expectations, commentary on likely results, or detailed business plans or strategies released to the market. Qualitative and quantitative materiality guidelines are set out in Annexure A. A specific list of matters that may be considered material is set out in Annexure B. This list is merely indicative and should not be seen as an exhaustive list of the matters that should be considered for disclosure.

3.3 INFORMATION IN SIGMA'S KNOWLEDGE

Sigma becomes aware of information if any of its directors or officers has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or officer of Sigma.

The disclosure obligation does not apply where the information is "generally available". Information is considered to be generally available if:

- it consists of a readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by Sigma and a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

3.4 FALSE MARKETS

Under ASX Listing Rule 3.1B, if ASX considers that there is likely to be a false market in Sigma Securities and asks Sigma to give it information to correct or prevent a false market, then Sigma must give ASX the information needed to correct or prevent the false market. Sigma is also required to make a clarifying statement to the ASX in circumstances where it becomes aware that speculation or comment is, or is likely to, create a false market in Sigma Securities.

The obligation to give information under this Listing Rule applies even where an exception described above in section 4.1 applies.

The ASX does not expect Sigma to respond to all media comment and speculation. However, Sigma has a positive obligation to make disclosure to prevent a false market being formed when:

- media comment or speculation becomes reasonably specific; or
- there is evidence that, or ASX forms the view that, the rumour or comment is likely to have an impact on the price of Sigma Securities, for example, the market moves in a way that appears to be referable to the comment or speculation.

4. CONTINUOUS DISCLOSURE POLICY

Sigma discharges its continuous disclosure obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (for example, the Annual Report). It is Sigma's policy that:

- unless it is subject to an exemption provided under the ASX Listing Rules, information which may have a material effect on the price or value of Sigma Securities must be released to the ASX as soon as Sigma becomes aware of it;
 - information must not be selectively disclosed (that is, to analysts, the media, professional bodies or customers) before it is announced to the ASX (and an acknowledgement that the ASX has released the information to the market has been received); and
 - any material misinformation in the market for Sigma Securities, whether due to an error in disclosure or otherwise, must be corrected as soon as Sigma becomes aware of it.

5. CONTINUOUS DISCLOSURE PROCEDURE

5.1 GENERAL PROCEDURE

Personnel who become aware of information that should be considered for release to the market (material information) must immediately notify the Company Secretary and provide the following information (to the extent known):

- a general description of the matter
- details of the parties involved

- the relevant date of the event or transaction
- the status of the matter (for example, final, negotiations in progress, or preliminary negotiations only)
- the estimated value of the transaction
- the estimated effect on the relevant entity's finances or operations
- the names of any in-house or external advisers involved in the matter

"Material information" is information that:

- is not generally available (that is, the information in question has not been included in any ASX release or Annual Report); and
- which may be price sensitive (that is, it is likely to have a financial or reputational impact upon Sigma that may be considered material).

The Company Secretary will:

- review the material information reported;
- determine, in consultation with the Chairman, the Chief Executive Officer and, as necessary, external legal advisers (the disclosure consultation group), whether any of the material information is required to be disclosed to the ASX;
- co-ordinate the actual form of disclosure with the relevant members of the disclosure consultation group and co-ordinate the verification of the disclosure by responsible Personnel; and
- provide the final form of the announcement for comment to:
 - the Chairman of the Board and Chairman of RMAC;
 - the Sigma Board (or a Board Sub-Committee such as the Risk Management and Audit Committee who must approve all financial results announcements); or
 - if Sigma Board approval is not considered necessary, the Chief Executive Officer (or in his absence the Chief Financial Officer or a designated director).

All information disclosed to the ASX will be posted promptly on Sigma's website following confirmation of disclosure on the ASX.

The Sigma Board will be provided with copies of all information disclosed to the ASX.

The Sigma Board also considers whether there are any matters requiring disclosure in respect of items of business that it considers. This is a standing item on the Sigma Board meeting agenda. Individual directors also consider this when they become aware of information in the course of their performance of their duties as a director.

5.2 SPECIFIC PROCEDURES

5.2.1 Authorised Spokespersons

The following persons are authorised (subject to compliance with the procedures set out in section 5.1) to make the first public statements of material information on behalf of Sigma:

- the Chairman; and
- the Chief Executive Officer;
- the Chairman and/or Chief Executive Officer may delegate this authority to another employee or director if they will be unavailable at any time.

5.2.2 Pre-result Periods

To prevent inadvertent disclosure of price-sensitive information, during the periods between the end of the Sigma's financial reporting periods (31 January and 31 July) and the actual release of results, Sigma has adopted the following policies within such periods:

- discussions with broking analysts should be kept to a minimum;
- if a meeting cannot be avoided, there should be no discussion of financial information;
- avoid commenting on broker research in this period, particularly "pre-result" analysis; and
- meetings with institutions may continue although discussions should focus on strategy and not numbers.

5.2.3 Presentations to Investors and Analysts

Presentations to investors and analysts will usually be held in conjunction with the release of Sigma's financial results or the announcement of a major new initiative or development. The material used in such presentations must be reviewed by the Chief Executive Officer and the Company Secretary and released to the ASX immediately prior to making the presentation. Year end and half year end investor and analyst presentations must also be reviewed and approved by the Risk Management and Audit Committee and then the Board before release.

5.2.4 Responding to Analyst Reports and Forecasts

Stockbroking analysts frequently prepare reports on securities of listed entities which contain performance and financial forecasts. Sigma will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to ASX and the market generally.

In particular, Sigma:

- will not generally comment on analyst forecasts or disclose its own earnings projections – however, it may comment on analyst reports by clarifying historical information and correcting factual errors in analysts' assumptions which are significant to the extent that they may mislead the market (provided any clarification is confined to drawing the analyst's attention to information that has already been released to ASX);

- will not include any analyst reports in its own corporate information, or post any analyst reports (including hyperlinks) on its website, but may use the reports internally;
- will include a disclaimer that Sigma is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and
- may consider making an announcement if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates.

If a draft report has been sent to Sigma for comments, it should be forwarded immediately to the Company Secretary or Manager Investor Relations & External Communications.

5.2.5 One-on-One Meetings and Discussions

In the case of one-on-one meetings or discussions with analysts, investors, governments, prospective partners and media representatives (including responses to queries), it is the responsibility of the employee involved in the meeting or responding to an enquiry to ensure that material information which has not been released to the ASX is not disclosed. If the employee is in doubt concerning a response, the response must not be given until it has been reviewed pursuant to the procedure set out in section 6.1.

5.2.6 Media Releases

All media releases dealing with material information are to be reviewed prior to release pursuant to the procedure set out in section 6.1. Media releases relating to matters requiring announcement to the ASX must not be made until confirmation of disclosure on the ASX has been received.

5.2.7 Presentations to Conferences

It is the responsibility of an employee making a presentation to a conference to ensure that material information which has not been released to the ASX is not disclosed in the presentation. If the employee is in doubt concerning the content of the presentation, the presentation must be submitted for review pursuant to the procedure set out in section 6.1.

5.2.8 Trading Halts

In exceptional circumstances, Sigma may request the ASX to halt trading in Sigma Securities to prevent the emergence of a false or uninformed market in Sigma Securities and to manage disclosure issues. Any decision by the Company Secretary to request a trading halt must be approved by:

- the Chairman, or in his absence the Chair of the Risk Management and Audit Committee; and
- the Chief Executive Officer, or in his absence the Chief Financial Officer.

5.2.9 Chat Rooms

Sigma employees or associated parties must not participate in chat room discussions on the internet where the subject matter relates to Sigma, unless required by their employment and then only to the extent necessary to properly perform their position.

6. MANAGEMENT OF THE POLICY

The Company Secretary has been nominated as the person with primary responsibility for the effective operation of this Policy and for all communications with the ASX in respect of Sigma's continuous disclosure obligations (the Disclosure Officer).

The Disclosure Officer is responsible for:

- liaising with the ASX in relation to continuous disclosure issues;
- ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- reviewing management reports and other documents to establish which information should be disclosed and coordinating the actual form of disclosure, including reviewing proposed announcements to the ASX and liaising with the Chief Executive Officer and external advisers (as necessary) in relation to the form of any ASX releases;
- liaising with members of the Executive Committee and the Board, as appropriate, in relation to the disclosure of information;
- keeping a record of all ASX releases that have been made and reasons for the disclosure or non-disclosure;
- periodically reviewing the continuous disclosure procedure in light of changes to the Corporations Act or the ASX Listing Rules and recommending any necessary changes.

7. CONTRAVENTIONS AND PENALTIES

7.1 CONTRAVENTIONS

Sigma contravenes its continuous disclosure obligations if it fails to notify the ASX of the information required by ASX Listing Rule 3.1. If Sigma contravenes this obligation intentionally, recklessly or negligently it and its officers may be guilty of an offence under sections 674 and 678 of the Corporations Act. Contravention of this obligation is a strict liability offence.

7.2 LIABILITY AND ENFORCEMENT – PENALTIES FOR BREACH

- Sigma
If Sigma contravenes its continuous disclosure obligations, it may face:
 - criminal liability with a fine of up to \$110,000;
 - civil liability for any loss or damage suffered by any person as a result of Sigma's failure to disclose relevant information to the ASX; and
 - de-listing from the ASX.

There is a no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the circumstances the person ought fairly to be excused for the contravention.

ASIC can also institute proceedings under the ASIC Act 1989.

- Others
Officers (including directors), employees or advisers of Sigma who are involved in the contravention by Sigma, may also face criminal penalties (a fine of up to \$22,000 and/or 5 years imprisonment) and civil liability as outlined above.
- Enforcement
The court also has power under the Corporations Act to order compliance with the ASX Listing Rules on the application of the ASX, ASIC or an aggrieved person (for example, Sigma's security holders) (section 793C(2) of the Corporations Act).
- Unwanted Publicity
Contravention of its continuous disclosure obligations may also lead to unwanted publicity for Sigma and may cause damage to its reputation in the market place which may adversely impact upon the market value of Sigma Securities.

8. BREACHES OF THIS POLICY

Disciplinary action may be taken in respect of breaches by Personnel of this Policy.

9. REVIEW OF THIS POLICY

This Policy will be reviewed every two years to ensure compliance with the Corporations Act, the ASX Listing Rules and corporate governance best practice. The General Counsel and Company Secretary will monitor applicable law and practice and recommend any changes to this Policy in the intervening period.

ANNEXURE A – MATERIALITY GUIDELINES

INTRODUCTION

The following guidelines are provided to assist Personnel in identifying matters that may require disclosure in order to comply with Sigma's continuous disclosure obligations. The purpose of these guidelines is to identify matters which can then be considered more fully, with a view to determining whether disclosure is required.

All of the matters which will require consideration under these guidelines will not necessarily require disclosure. Importantly, a matter may be required to be disclosed even if it does not come within any of the following categories.

The guidelines are both qualitative and quantitative, and are illustrative only. They are not an exhaustive nor prescriptive list.

QUALITATIVE GUIDELINES

Qualitative matters that may need to be considered may include, but are not limited to, matters that:

- may have a significant impact on the operations of Sigma;
- may affect the viability of a member of Sigma to continue as a going concern;
- may alter the original condition, whether financial or operational, against market expectations;
- may impact on the integrity of the financial statements;
- may breach a regulatory compliance obligation when it is likely that any subsequent imposition of regulatory restrictions may impair operating capability;
- relate to a corporate activity that could have an effect on the value of Sigma Securities;
- might have an effect on the future business activities of Sigma;
- involve a change in regulation or law that could affect Sigma's business;
- involve a change in management structure;
- may have a material adverse effect on Sigma's reputation;
- involve a breach or threatened breach of a significant contractual obligation; and
- may in some other way be, so onerous, unusual or outside the ordinary course of business that they ought to be considered.

Disclosure of any of these matters would be required if a reasonable person would expect it to have a material effect on the price or value of Sigma Securities.

QUANTITATIVE GUIDELINES

The following quantitative matters may need to be considered to determine if disclosure is required:

- matters which potentially may affect Sigma's forecast profit (loss) before tax in any one year by 5% or more;
- matters which may affect Sigma's assets or liabilities by 5% or more based on the previous years' figures or forecasts, if any given to the market;
- matters involving any claim against Sigma exceeding 5% of Sigma's consolidated assets; and
- a transaction where the amount payable or receivable is a significant proportion of the written down value of Sigma's consolidated assets (normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case).

ASX Listing Rule 3.1 provides examples of information that, if material, would require disclosure. One of those examples is a change in a previously released financial forecast or expectation. ASX Guidance Note 8 states that as a general rule, a variation in excess of 10% to 15% may be considered material. In certain circumstances, a smaller variation will be disclosable.

Sigma does not generally release forecasts, However, a variation in excess of 10% to 15% from the previous corresponding period will generally require disclosure (see ASX Guidance Note 8, para 93).

