

SIGMA DESIGNS, INC.

INSIDER TRADING COMPLIANCE PROGRAM

(Adopted November 1, 2003)¹

Amended April 4, 2014

In order to take an active role in the prevention of insider trading violations by its directors, officers and other employees, as well as by other related individuals, Sigma Designs, Inc. (the “**Company**”) has adopted the policies and procedures described in this Memorandum.

I. Adoption of Insider Trading Policy.

The Company has adopted the Insider Trading Policy attached hereto as Attachment A (the “**Policy**”), which prohibits trading based on material, non-public information regarding the Company (“**Material Nonpublic Information**”). The Policy covers directors, officers and all other employees of, or consultants or contractors to, the Company, as well as family members of such persons, and others, in each case where such persons have or may have access to Material Nonpublic Information. The Policy (and/or a summary thereof) is to be delivered to all new employees and consultants on the commencement of their relationships with the Company, and is to be circulated to all employees at least annually.

II. Designation of Certain Persons.

A. Officers and Directors. The Company has determined that those persons listed on Attachment B hereto are the directors and officers who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations thereunder (“**Section 16 Persons**”). Attachment B may be amended by the Company from time to time as appropriate to reflect any additions or deletions to such list of persons.

B. Designated Insiders. The Company has determined that those persons listed on Attachment C hereto (“**Designated Insiders**”) have, or are likely to have, access to the Company’s internal financial statements or other Material Nonpublic Information and are therefore, in addition to those persons listed on Attachment B, subject to the Trading Window, Blackout Period and pre-clearance requirements described in the Policy. Attachment C may be amended from time to time. Under special circumstances, individuals not listed on Attachment C may come to have access to Material Nonpublic Information for a period of time. During such period, such persons should also refrain from trading in the Company’s securities until they have received pre-clearance from the Compliance Officer.

¹ Supersedes all prior policies.

III. Appointment of Compliance Officer.

The Board of Directors shall designate the Company's Insider Trading Compliance Officer, which designation shall be noted on Attachment B, which can be amended from time to time in the discretion of the Board of Directors.

IV. Duties of Compliance Officer.

The duties of the Compliance Officer shall include, but not be limited to, the following:

A. Pre-clearance of all transactions involving the Company's securities by all Section 16 Persons and Designated Insiders in order to determine compliance with the Policy, insider trading laws, Section 16 of the Exchange Act and Rule 144 under the Securities Act of 1933, as amended.

B. Assistance in the preparation of Section 16 reports (Forms 3, 4 and 5) for all Section 16 Persons.

C. Sending reminders to all Section 16 Persons regarding their obligations to report under Section 16 of the Exchange Act.

D. Performing periodic cross-checks of available materials, which may include Forms 3, 4 and 5, Form 144, officers and directors questionnaires, and reports received from the Company's stock administrator and transfer agent, to determine trading activity by officers, directors and others who have, or may have, access to Inside Information.

E. Circulation of the Policy (and/or a summary thereof) to all employees, including Section 16 Persons, on an annual basis, and provision of the Policy and other appropriate materials to new officers, directors and others who have, or may have, access to Inside Information.

F. Prior approval of any trading plan adopted pursuant to Securities and Exchange Commission Rule 10b5-1(c) (an "**approved Rule 10b5-1 trading plan**"), in order to ensure compliance with this Policy.

G. Assisting the Company with implementation of the Policy.

H. In all cases where pre-approval is required pursuant to the terms of the Policy, the Compliance Officer shall seek pre-approval from the Company's Chief Executive Officer of any proposed actions with respect to, or trades of, securities beneficially owned by the Compliance Officer. If the Chief Executive Officer is serving as the Compliance Officer, such pre-clearance shall be obtained from the Chief Financial Officer.

Attachment A

SIGMA DESIGNS, INC.

INSIDER TRADING POLICY and Guidelines with Respect to Certain Transactions in Company Securities (Adopted November 1, 2003) (Amended April 4, 2014)

In order to take an active role in the prevention of insider trading violations by its directors, officers and other employees, as well as by other related individuals, Sigma Designs, Inc. (the “Company”) has adopted the policies and procedures described in this Memorandum.

Applicability of Policy

This Policy applies to all transactions in the Company’s securities, including common stock, options for common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company’s stock, whether or not issued by the Company, such as exchange-traded options. It applies to all directors, officers and all other employees of, or consultants or contractors to, the Company, as well as family members of such persons, and others, in each case where such persons have or may have access to Material Nonpublic Information (as defined below). This group of people, members of their immediate families, and members of their households are sometimes referred to in this Policy as “Insiders.” This Policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as the information is not publicly known. Any employee can be an Insider from time to time, and would be subject to this Policy.

Statement of Policy

General Policy

It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the work-place and the misuse of Material Nonpublic Information in securities trading.

Specific Policies

1. Trading on Material Nonpublic Information. No director, officer or other employee of, or consultant or contractor to, the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Company’s securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses Material Nonpublic Information concerning the

Company, and ending at the open of business on the second full Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. As used herein, the term “Trading Day” shall mean a day on which national stock exchanges and the Nasdaq National Market are open for trading. A Trading Day begins at the time trading begins on such day. This restriction on trading does not apply to transactions made under a trading plan that has been adopted pursuant to Rule 10b5-1(c) promulgated under the Securities Exchange Act of 1934, as amended, and that has been approved in writing by the Compliance Officer (an “approved Rule 10b5-1 trading plan”) or transaction made pursuant to paragraph 5 below.

2. Tipping. No Insider shall disclose (“tip”) Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company’s securities.

3. Confidentiality of Nonpublic Information. Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden. In the event any Section 16 Person or employee of the Company receives any inquiry from outside the Company, such as by a stock analyst, for information (particularly financial results and/or projections) that may be Material Nonpublic Information, the inquiry should be referred to the Company’s Compliance Officer, who is responsible for coordinating and overseeing the release of such information to the investing public, analysts and others in compliance with applicable laws and regulations.

4. Blackout Period. All Section 16 Persons and Designated Insiders must refrain from engaging in transactions involving a purchase or sale of the Company’s securities, including any offer to purchase or offer to sell, during the period in any fiscal quarter commencing on the eighth calendar day of the third month of the fiscal quarter and ending at the open of market on the third full Trading Day following the date of public disclosure of the financial results for the prior fiscal quarter or year. This trading restriction does not apply to transactions made under an approved Rule 10b5-1 trading plan or pursuant to paragraph 5 below.

5. Margin Accounts and Pledges. Entering into a margin account or pledging Company securities can lead to unintended negative consequences. For example, securities held in a margin account may be sold by a broker without the shareholder’s consent if the shareholder fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure with the stockholder’s consent if the stockholder defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the shareholder is aware of material nonpublic information or otherwise is not permitted to trade in the Company’s securities, Section 16 Persons may pledge the Company’s securities as collateral for a loan (not including margin debt) only upon receipt of pre-approval in writing from the Compliance Officer. The Compliance Officer must seek pre-clearance from the Company’s Chief Executive Officer; provided that if the Chief Executive Officer is then serving as the Compliance Officer, the Compliance Officer shall seek pre-clearance from the Chief Financial Officer.

6. Prohibition Against Short Sales. No Section 16 Person or other employee of the Company shall, directly or indirectly, sell any equity security of the Company if the person selling the security or his principal (1) does not own the security sold, or (2) if owning the security, does not deliver it against such sale (a “short sale against the box”) within twenty days thereafter, or does not within five days after such sale deposit it in the mails or other usual channels of transportation. Generally, a short sale, as defined in this Policy, means any transaction whereby one may benefit from a decline in the Company’s stock price. While employees who are not executive officers or directors are not prohibited by law from engaging in short sales of the Company’s securities, the Company believes it is inappropriate for employees to engage in such transactions, and accordingly such transactions are prohibited by this policy.

7. Prohibition Against Trading in Derivative Securities. No Section 16 Person or other employee of the Company shall purchase or sell, or make any offer to purchase or offer to sell, derivative securities relating to the Company’s securities, whether or not issued by the Company, such as exchange traded options to purchase or sell the Company’s securities (so called “puts” and “calls”). This paragraph is not meant to, and shall not be construed as to, affect the ability of the Company to grant options to officers, directors and employees under employee benefit plans or agreements adopted by the Board of Directors or the ability of officers, directors and employees to exercise such options and sell the underlying Common Stock, provided that any such sale is otherwise in accordance with this Policy.

8. Prohibition Against Internet Disclosure. It is inappropriate for any unauthorized person to disclose Company information on the Internet and more specifically in forums (chat rooms) where companies and their prospects are discussed. Examples of such forums include but are not limited to Yahoo! Finance, Silicon Investor and Motley Fool. The posts in these forums are typically made by unsophisticated investors who are sometimes poorly informed, and generally are carelessly stated or, in some cases, malicious or manipulative and intended to benefit their own stock positions. Accordingly, no director, officer, employee, consultant or contractor or other party related to the Company may discuss the Company or Company-related information in such a forum regardless of the situation. Despite any inaccuracies that may exist (and often there are many), posts in these forums can result in the disclosure of material non-public information and may bring significant legal and financial risk to the Company and are therefore prohibited, without exception. Any post that is made by any person with access to Material Nonpublic Information, or information supplied by any such person for someone else to post, will be treated as a violation of this Policy.

Potential Criminal and Civil Liability and/or Disciplinary Action

1. Liability for Insider Trading. Pursuant to federal and state securities laws, Insiders may be subject to criminal and civil fines and penalties as well as imprisonment for engaging in transactions in the Company’s securities at a time when they have knowledge of Material Nonpublic Information regarding the Company.

2. Liability for Tipping. Insiders may also be liable for improper transactions by any person (commonly referred to as a “tippee”) to whom they have disclosed Material Nonpublic Information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company’s securities. The Securities

and Exchange Commission (the “SEC”) has imposed large penalties even when the disclosing person did not profit from the trading. The SEC, the stock exchanges and the National Association of Securities Dealers, Inc. use sophisticated electronic surveillance techniques to uncover insider trading.

3. Possible Disciplinary Actions. Employees of the Company who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company’s equity incentive plans or termination of employment.

Trading Guidelines and Requirements

1. Trading Window.

The “Trading Window” is that period of a fiscal quarter during which the Section 16 Persons and Designated Insiders of the Company are not precluded (assuming they do not possess Material Nonpublic Information) from trading in the Company’s securities as described in Paragraph 2 below.

The safest period for trading in the Company’s securities, assuming the absence of Material Nonpublic Information, is generally the first twenty days of the Trading Window. However, even during the Trading Window *any person* possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company’s securities until such information has been known publicly for at least one full Trading Day. This trading restriction does not apply to transactions made under an approved Rule 10b5-1 trading plan. Each person is individually responsible at all times for compliance with the prohibitions against insider trading.

2. Black-Out Period and Trading Window.

The period in any fiscal quarter beginning on the eight day of the third month of the fiscal quarter and ending at the open of market on the second full Trading Day following the date of public disclosure of the financial results for that quarter (the “Black-Out Period”) is a particularly sensitive period of time for transactions in the Company’s stock from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that directors, officers and certain other employees will, during that period, often possess Material Nonpublic Information about the expected financial results for the quarter. All Section 16 Persons and Designated Insiders of the Company are prohibited from trading during the Black-Out Period.

To ensure compliance with this Policy, the Company requires that all Section 16 Persons and Designated Insiders of the Company conduct transactions involving the purchase or sale of the Company’s securities only during the period commencing at the opening of market on the third Trading Day following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the opening of market on the eighth calendar day of the third month of the fiscal quarter (the “Trading Window”). This trading restriction does not apply to transactions made under an approved Rule 10b5-1 trading plan or forced transactions as a result of a stock pledge entered into in accordance with the Insider Trading Policy. The prohibition against trading during the Black-Out Period encompasses the fulfillment of “limit orders” by any broker for a Section 16 Person or Designated Insider, and the brokers with whom any such limit order is placed must be so instructed at the time it is placed.

From time to time, the Company may also prohibit Section 16 Persons and other employees, consultants or contractors from trading in the Company’s securities because of developments known to such persons in the Company and not yet disclosed to the public. In this event, such persons may not engage in any transaction involving the purchase or sale of the Company’s securities during such period and should not disclose that fact to others.

Any employee or other person possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least one full Trading Day, whether or not it is during the Trading Window or the Company has recommended suspension of trading to that person. This trading restriction does not apply to transactions made under an approved Rule 10b5-1 trading plan. Trading in the Company's securities during the Trading Window should not be considered a "safe harbor," and all Section 16 Persons, employees and other persons should use good judgment at all times.

3. Pre-clearance of Trades. The Company has determined that all Section 16 Persons and Designated Insiders of the Company should refrain from trading in the Company's securities, even during the Trading Window, without first complying with the Company's "pre-clearance" process. Each Section 16 Person and Designated Insider should contact the Company's Insider Trading Compliance Officer prior to commencing any trade in the Company's securities. The Compliance Officer must seek pre-clearance from the Company's Chief Executive Officer; provided that if the Chief Executive Officer is then serving as the Compliance Officer, the Compliance Officer shall seek pre-clearance from the Chief Financial Officer. The Company may also find it necessary, from time to time, to require compliance with the pre-clearance process from certain other employees who have access to Material Nonpublic Information. A Section 16 Person or Designated Insider wishing to trade pursuant to an approved Rule 10b5-1 trading plan need not seek pre-clearance from the Company's Insider Trading Compliance Officer before each such trade takes place; however, such person must obtain Company approval of the proposed Rule 10b5-1 trading plan before adopting it.

4. Individual Responsibility. Every person subject to this Policy has the individual responsibility to comply with this Policy against insider trading, and appropriate judgment should be exercised in connection with any trade in the Company's securities. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

Applicability of Policy to Inside Information Regarding Other Companies

This Policy and the restrictions and guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed for, the Company. Civil and criminal penalties, and termination of employment, may result from trading on inside information regarding the Company's business partners. All directors, officers and other employees should treat Material Nonpublic Information about the Company's business partners with the same care required for information related directly to the Company.

Definition of Material Nonpublic Information

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered significant to an investor in making an investment decision regarding the purchase or sale of the Company's securities. In this regard, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information include:

Financial Related Events

- Financial results
- Projections of future earnings or losses
- Stock splits
- New equity or debt offerings
- Changes in dividend policy
- Impending bankruptcy or financial liquidity problems
- Material impairment, write-off or restructuring
- Creation of a material direct or contingent financial obligation

Corporate Developments

- Pending or proposed merger or acquisition
- The disposition or acquisition of significant assets
- Gain or loss of a substantial customer or supplier
- Termination or reduction of business relationship with customer

Product Related Events

- Timing of new product introductions
- New product announcements of a significant nature
- Significant product defects or modifications
- Significant pricing changes

Other

- Significant litigation exposure due to actual or threatened litigation
- Major changes in senior management
- Material agreement not in the ordinary course of business (or termination thereof)

Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public. Either positive or negative information may be material.

Certain Exceptions

For purposes of this Policy, the Company considers that the exercise of stock options for cash under the Company's stock option plans or the purchase of shares under the Company's employee stock purchase plan (but not the sale of any such shares) is exempt from this Policy, since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the option agreement or the plan.

Additional Information - Directors and Officers

Directors and officers of the Company must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that officers and directors who purchase and sell the Company's securities within a six-month period must disgorge all profits to the Company whether or not they had knowledge of any Material Nonpublic Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under the Company's option plans, nor the exercise of that option, nor the purchase of stock under the Company's employee stock purchase plan is deemed a purchase under Section 16(b); however, the sale of any such shares is a sale under Section 16. Moreover, pursuant to Section 16(c) of the Exchange Act (as well as this Policy), no Section 16 Persons or any other employee may make a short sale of the Company's stock. The Company has provided, or will provide, separate memoranda and other appropriate materials to its officers and directors regarding compliance with Section 16 and its related rules.

Persons subject to the reporting requirements of Section 16 must file their statements of change in ownership on Form 4 before the end of the second business day following such change in ownership. Also, an individual must file a Form 3 within 10 days of becoming a director or officer of the Company. Beginning June 30, 2003, the SEC has provided access to Section 16 reports filed to report changes in ownership on a publicly accessible Internet site, and the Company has been required to provide the report on its corporate website, in both cases, not later than the end of the business day following the filing.

Inquiries

Please direct your questions as to any of the matters discussed in this Policy to the Company's Insider Trading Compliance Officer.



OFFICERS AND DIRECTORS SUBJECT TO SECTION 16; COMPLIANCE OFFICERS

Directors:

J. Michael Dodson
Mark Bonney
Think Q. Tran (see also "Officers" below)
Pete Thompson
Martin Manniche

Section 16 Officers:

<u>Name</u>	<u>Position</u>
Think Q. Tran	President and Chief Executive Officer
Elias N Nader	Chief Financial Officer and Secretary
Sal Cobar	Senior Vice President, Worldwide Sales and Business Development

Compliance Officer:

Elias N Nader

As updated March 18, 2014

Attachment C
(to Insider Trading Compliance Program)
DESIGNATED INSIDERS

<u>Name</u>	<u>Position</u>
Alka Srivastava	Cost Accounting Manager
Yves Gourvennec	VP of Sales, North America and Asia
Nadav Katzir	VP Business Development and Support, Americas & Europe & Israel
Madhu Kulkarni	Business Applications Manager
Michael Lin	Vice President, Operations
Ken Lowe	VP, Strategic Marketing
Jacques Martinella	VP, Hardware Engineering
Zeny Miranda	Cost Accounting Analyst
David Sauter	Assistant Controller
Mustafa Ozgen	VP and General Manager, Home Multimedia Group
Michael Killeen	Director of Human Resources
Ali Siddiqui	Director of I.T.
Kit Tsui	Managing Director - Sigma Singapore
Wendy Wang	Accounting Manager
Dominic Cheung	Director, Financial Planning & Analysis

Attachment C
(to Insider Trading Compliance Program)
DESIGNATED INSIDERS – ISRAEL

<u>Name</u>	<u>Position</u>
Irit Brodbar	Sales Operations Planner-Israel
Guy Hizmy	Regional Operations Manager- Israel
Noam Omassi	Senior Director of Finance & Administration - Israel
Uri Rantzer	Sales Operations Planner- Israel
Eran Schwartz	VP WW Sales Operations- Israel
Omer Shterenberg	Regional Controller- Israel