

Corporate governance policy – securities trading – directors and executives

**Dicker Data Limited
ABN 95 000 969 362**

Corporate governance policy – securities trading – directors and executives

1. Introduction

- 1.1 This policy imposes constraints on directors (**Directors**) and executives (**Executives**) of Dicker Data dealing in Dicker Data's shares or options, warrants, futures or other derivative financial products issued over Dicker Data's shares or options (**Securities**).
- 1.2 This policy has been adopted by the Board of Dicker Data.

2. Application

- 2.1 This policy applies to all Directors and Executives of Dicker Data as set out in the Schedule and their associates (as that term is defined in paragraph 9.2). Parties covered by this policy should not procure others to deal during prohibited periods.
- 2.2 It is noted that the insider trading prohibitions set out in the *Corporations Act 2001* (summarised in paragraph 4 below) apply to all persons and their associates, whether or not they are Directors or Executives of Dicker Data.

3. Objectives

- 3.1 The objectives of this policy are to:
 - (1) minimise the risk of Directors and Executives of Dicker Data contravening the laws against insider trading;
 - (2) ensure Dicker Data is able to meet its reporting obligations under the ASX Listing Rules; and
 - (3) increase transparency with respect to trading in Securities of Dicker Data by Directors and Executives.
- 3.2 To achieve these objectives Directors and Executives should treat this policy to be binding on them in the absence of specific exemption by the Board.

4. Dealing in Securities – legal and other considerations

- 4.1 Sections 1042B to 1043O of the *Corporations Act 2001* prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:
 - (1) dealing in the securities; or
 - (2) communicating the information to others who might deal in the securities.

- 4.2 The central test of what constitutes price sensitive information is found in section 1042A. It provides that the insider trading and continuous disclosure rules apply to information concerning a company that a reasonable person would expect to have a material effect on the price of securities in the company (**price sensitive information**).
- 4.3 Directors and Executives of Dicker Data will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of annual or half-yearly results to the Australian Securities Exchange (**ASX**) and the period during which a major transaction is being negotiated.
- 4.4 The risk of contravention of insider trading laws in relation to information concerning public companies was substantially reduced in 1994 with the introduction of the continuous disclosure regime. Under that regime, public companies are required to disclose all price sensitive information immediately to ASX, except in limited circumstances. The tests of what constitutes price sensitive information under the insider trading laws and under the continuous disclosure requirements are effectively identical. As a consequence, at least in theory and subject to the qualification below, there is little risk of Directors and Executives contravening insider trading laws as all relevant information will already have been disclosed.
- 4.5 There are a number of limitations and qualifications to the above including:
- (1) where the ASX Listing Rules and the *Corporations Act 2001* permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
 - (2) where information may be known to a particular Director or Executive but not yet by Dicker Data as a whole (ie the Board);
 - (3) where Dicker Data may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance – there will always be some element of delay in doing so; and
 - (4) where Directors and Executives will generally have a better feel for the performance of Dicker Data than the public.

In these situations, there is still potential for contravention. There is also the potential for an appearance of contravention even if there has not been actual contravention. This could reflect badly on Dicker Data as well as on the Director or Executive concerned.

- 4.6 Another circumstance that must be guarded against is where one or more Directors or Executives are aware of an event or circumstance and the remaining Directors and Executives are not yet aware. In such a circumstance, it is important that no Director or Executive deals in Securities because:
- (1) the knowledge of one Director or Executive may in certain circumstances, be imputed to all Directors or Executives and therefore there is a risk that they will be found to have been guilty of insider trading even if they had no intention of committing a contravention; and
 - (2) of the potential for such circumstances to reflect badly on Dicker Data.

- 4.7 For these reasons, the advice of the Chief Executive Officer should be sought prior to any dealings taking place, and steps should be taken to ensure that the Chief Executive Officer are appraised of all relevant considerations by the Disclosure Officer (Company Secretary) appointed under ASX Listing Rule 1.1, condition 12.

5. Policy – dealing in Securities

5.1 General

In addition to their obligation to comply with the law in relation to insider trading, Directors and Executives must adhere to the following policies.

5.2 Closed Periods

Directors and Executives must not, except in exceptional circumstances (see paragraph 5.5), deal in Dicker Data securities during the following periods (**Closed Periods**):

- The period commencing 1 July and ending 2 hours after the release of the annual results;
- The period commencing 1 January and ending 2 hours after the release of the half year results;
- Within the period 1 month prior to the issue of a prospectus; and
- Any other period determined by the Board from time to time.

5.3 Open Periods

Open Periods are those periods that are not Closed Periods. All Dicker Data staff may deal in Company securities during Open Periods.

Directors and Executives may deal in Dicker Data securities during Open Periods provided prior approval is sought and granted in accordance with the procedure set out in paragraph 5.4.

5.4 Approvals Procedure

Prior approval to deal in Dicker Data securities either:

- During an Open Period;
- On a short-term basis in exceptional circumstances; or
- During a Closed Period in exceptional circumstances,

is required for Directors and Executives.

The approval must be sought as follows:

Officer	Approving Officer
Chairman	Chairman of Audit Committee (or the Board)
Other directors	Chairman & / or Company Secretary
CEO (if not a director)	Chairman & / or Company Secretary
Company Secretary	Chairman
Executives	Company Secretary (conferring with the CEO as necessary)

- a. The personnel requesting the approval must confirm that they are not in possession of price-sensitive information that is not generally available to the market.
- b. Any approval granted for a dealing will be valid for 10 business days.
- c. The applicable Approving Officer will provide a copy of any request and approval to the Company Secretary.
- d. E-mail correspondence is acceptable for the purposes of seeking and obtaining approval under this section.

Directors and Executives need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Director or Executive needs to be discussed with the board.

The determination as to whether circumstances qualify as exceptional and the dealing in securities therefore approved, can only be made by the Chairman for directors, the Board in the case of the Chairman, and the Company Secretary, conferring with the CEO where appropriate for Executives.

In the interests of expediency and an informed determination, any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation.

Permission granted for a sale in exceptional circumstances will be provided in writing and will state the time period for which the sale of securities can be made.

5.5 Exceptions to the General Policy

This policy does not apply to the following situations:

- Participation in a Company share option plan. Dicker Data will ensure that options are granted during Closed Periods. However, any subsequent sale of Dicker Data Securities acquired under an option plan is subject to this policy.
- The exercise of rights under a Company share option plan. However, any subsequent sale of Dicker Data Securities acquired under an option plan is subject to this policy.
- Undertakings to accept, or the acceptance of, a takeover offer.
- Participation in, acceptance of, or trading under, and offer or invitation made to all or most security holders such as a rights issue, a security purchase plan or an equal access buy back, where the plan that determines the timing and structure of the offer has been approved by the Dicker Data board.
- Transfer securities of the Company already held, into a Superannuation fund or other saving scheme in which the Director or Executive is a beneficiary.
- The acquisition of Company Securities under a bonus issue made to all holders of securities of the same class.
- The acquisition of Company Securities under a dividend reinvestment plan that is available to all holders or securities of the same class.
- Trading in Securities in a managed securities portfolio where the Director or Executive is not in a position to influence the portfolio investments.

5.6 Exceptional Circumstances to General Policy

In exceptional circumstances, Directors and Executives who are not in possession of inside information may be granted prior approval to sell or otherwise dispose of Dicker Data Securities during a Closed Period or on a short term basis where there is severe financial hardship or there are other exceptional circumstances.

A Director or Executive is considered to be in severe financial hardship if they cannot satisfy a pressing financial commitment otherwise than by selling the relevant Dicker Data Securities.

The determination as to whether circumstances qualify as exceptional and the dealing in securities therefore approved, can only be made by the Chairman for directors, the Board in the case of the Chairman, and the Company Secretary, conferring with the CEO were appropriate for Executives.

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5.7 Short Term Dealing Prohibited

Directors and Executives must not at any time engage in short-term trading in Securities of Dicker Data. Short-term trading is considered to be trading where the acquisition and disposal of Securities occurs within 6 months of each other. The Chairman may, at their discretion, permit a Director or Executive to trade in Securities in circumstances that would contravene this paragraph if that Director or Executive establishes hardship under paragraph 5.6.

5.8 Facilitation Prohibited

Directors and Executives must not communicate price sensitive information to a person who may deal in Securities of Dicker Data. In addition, a Director or Executive should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of Securities in Dicker Data.

5.9 External Advisers

Directors and Executives must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

6. Notification of dealing in Securities

- 6.1 Directors and Executives must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any Securities in Dicker Data.

7. Notification of dealings in Securities – Directors – legal and other considerations, and Records of Dealings

- 7.1 ASX Listing Rules 3.19A and 3.19B require Dicker Data to notify dealing in Securities by Directors within 5 business days. Three appendices are included in the ASX Listing Rules for the purpose of this notification, being 3X Initial Director's Interest Notice, 3Y Change of Director's Interest Notice and 3Z Final Director's Interest Notice. The Company Secretary will use the information provided by a Director under section 6.1 for this purpose.
- 7.2 Section 205G of the *Corporations Act 2001* requires a Director of a listed company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any Securities of Dicker Data. This is an obligation of the Director, not Dicker Data. There is no prescribed form for such notifications. ASIC has granted class order relief from the requirements of section 205G where notifications are made by Dicker Data under Listing Rules 3.19A and 3.19B.

- 7.3 The Company Secretary will maintain a register of Director and Executive requests to deal in Dicker Data securities.

8. Penalties

- 8.1 A trade in any securities by a person who is in possession of price sensitive information not publicly available could contravene the *Corporations Act 2001* and expose the person to civil and criminal penalties.
- 8.2 A contravention of this policy by an Executive may result in summary dismissal.

9. Definitions

- 9.1 For the purposes of this policy:
- (1) **deal in Securities** means buy or sell Securities in Dicker Data, or enter into transactions in relation to Securities in Dicker Data. It includes procuring another person to do any of these things; and
 - (2) **price sensitive information** has the meaning given to that term in paragraph 4.2.
- 9.2 For the purposes of paragraph 4, directors “*dealing*” includes associates of Directors and Executives dealing in Securities, and it is incumbent on each Director and Executive to ensure that an associate does not deal in circumstances where the dealing could be attributed to the Director or Executive concerned. Associate has the meaning given to it Division 2 of Part 1.2 of the *Corporations Act 2001* (Australia).

10. Public availability of materials

- 10.1 This policy or a summary of its main provisions shall be made publicly available on Dicker Data’s website in a clearly marked corporate governance section.

Schedule

Directors to whom this policy applies:

- All directors of Dicker Data (including alternate directors)
- All members of the boards of directors of subsidiaries of Dicker Data (if any)

Executives to whom this policy applies:

- The Chief Executive Officer of Dicker Data
- All other Executives who directly report to the Chief Executive Officer
- Other Executives as determined by the board from time to time