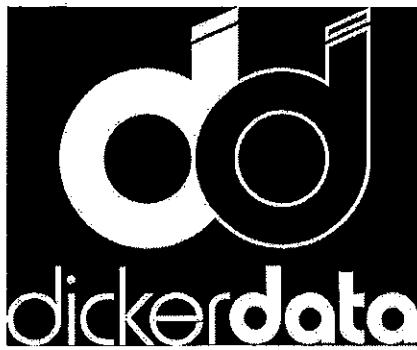




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*Dicker Data is the registered trading name for
Dicker Data Ltd ABN 95-000-969-362*

14 January 2011

Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY NSW 2000

Attached is the corporate governance statement of Dicker Data Limited.

Yours sincerely

MARY STOJCEVSKI
Company Secretary

06 December 2010

Corporate Governance Statement

Dicker Data Limited
ABN 95 000 969 362

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ABN 95 000 969 362
(Company)

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied by Dicker Data Limited (**Dicker Data or Company**).

Principle 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board is accountable to shareholders for the performance of Dicker Data and has overall responsibility for its direction and management and the formulation of policies to be applied in Dicker Data's business.

The other key responsibilities of the Board are as follows:

- (a) appoint and review the performance of the Chairman and management;
- (b) develop and approve strategy, planning and major capital expenditure;
- (c) arrange for effective budgeting and financial supervision;
- (d) ensure that appropriate audit arrangements are in place;
- (e) ensure that effective and appropriate reporting systems in place will, in particular, assure the Board that proper financial, operational, compliance and risk management controls function adequately; and
- (f) report to shareholders.

The Board is also responsible to shareholders for Dicker Data's strategic direction and the execution of Dicker Data's overall objective, which is to increase long-term shareholder value.

Decisions which are not part of the day to day management of Dicker Data or which have not been delegated to the Chief Executive Officer or executive team, must be made by the Board.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Board is responsible for reviewing the performance of the Chairman and management.

Dicker Data's goals are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, in September, by the Chief Executive Officer. The Chief Executive Officer's performance evaluation is also undertaken annually, in September, by the Board.

Chief Executive Officer

At the commencement of each financial year, the Board and the Chief Executive Officer will agree a set of specific performance measures to be used in the review of the Chief Executive Officer for the forthcoming year. These will include:

- (a) financial measures of Dicker Data's performance;
- (b) the extent to which key operational goals and strategic objectives are achieved;
- (c) development of management and staff;
- (d) compliance with legal and Dicker Data's policy requirements; and
- (e) achievement of key performance indicators.

Senior executives

The Chief Executive Officer is responsible for assessing the performance of the key executives within Dicker Data. The basis of evaluation of senior executives will be on agreed performance measures, examining the effectiveness and quality of the individual, assessing key contributions, identifying areas of potential improvement and assessing whether various expectations of shareholders have been met.

The Board will also monitor the performance of Dicker Data's senior executives, including measuring actual performance against planned performance.

This policy is reviewed annually.

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

The Principle 1 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 2: Structure the Board to Add Value

Recommendation 2.1: A majority of the board should be independent directors.

The Board is composed of the following five Directors, including one non-executive Director:

Name	Position
David Dicker	Chairman and Chief Executive Officer
Fiona Brown	Non Executive Director
Mary Stojcevski	Executive Director
Christopher Price	Executive Director
Michael Demetre	Executive Director

When considering independence, Dicker Data considered the following recommendation made by the ASX Corporate Governance Council:

'When determining the independent status of a director the board should consider whether the director:

1. is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company¹;
2. is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
3. has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
4. is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
5. has a material contractual relationship with the company or another group member other than as a director.'²

The Chief Executive Officer is a substantial shareholder of Dicker Data and has been engaged by Dicker Data on a consultancy basis. He is not considered to be independent.

Three of the Directors are employed by Dicker Data and are not considered to be independent.

Fiona Brown, the non-executive Director, is a substantial shareholder of Dicker Data and is not considered to be independent.

As such, there are no independent Directors. The Board considers that the Board's composition is appropriate to Dicker Data's size and structure in the context of Dicker Data's recent history, and the directors' experience and knowledge of Dicker Data's assets.

Should the Directors determine to expand the Board by the appointment of one or more non-executive Directors, such non-executive Directors will be selected on the basis of their capacity to add value to the business, and to provide independent governance to the operations of Dicker Data. At this stage, the Board has made no offers to any person to join the Board. Expansion of the Board is subject to various contingencies over which the Board has no control, including but not limited to the availability of suitably qualified and experienced individuals with a desire to join the Board.

The Board will review its performance and composition at least on an annual basis as Dicker Data's operations evolve, to ensure that it has the appropriate mix of expertise and experience, taking into account the size and nature of Dicker Data's activities. In time, the Board may consider the appointment of independent directors as it deems appropriate.

¹ For this purpose a 'substantial shareholder' is a person with a substantial holding as defined in section 9 of the Corporations Act 2001 (Clth).

² ASX Corporate Governance Council Corporate Governance Principles and Recommendations 2nd edition 2007 p 17.

Directors may obtain independent professional advice at Dicker Data's expense, subject to prior approval by the Chairman, on matters arising in the course of Dicker Data's business. Directors also have unrestricted access to any employees of Dicker Data and, subject to the law, access to all Dicker Data records and information held by employees and external advisers.

Recommendation 2.2: The chairperson should be an independent director.

The Chairman is not an independent Director. The Board considers this to be appropriate to Dicker Data's size, structure and the nature of its activities.

Recommendation 2.3: The roles of chairperson and chief executive officer should not be exercised by the same individual.

The Chairman and Chief Executive Officer are the same individual. The Board considers this to be appropriate to Dicker Data's size, structure and the nature of its activities.

Recommendation 2.4: The board should establish a nomination committee.

The Board does not have a nomination committee. The Board considers that its relatively small size and the expertise of its directors allows the full Board to perform a nomination committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Recommendations of candidates for new Directors are made to and by the Board. The Board as a whole must make such appointments as it considers the most appropriate for Dicker Data.

The Board will review the requirements and processes of Dicker Data at least on an annual basis, and otherwise as Dicker Data's operations evolve, to ensure that the board nomination process is being appropriately handled. The Board will establish a nomination committee in the future as it deems appropriate.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The Board reviews the performance of the Chief Executive Officer.

Potential nominations to the Board are assessed by the full Board.

The Board undertakes self assessment of its collective performance and the performance of its committees. Individual performance is evaluated by the full Board. These reviews are conducted on an annual basis.

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual Directors (including the Chief Executive Officer) and the committees of the Board.

Board

A process has been established to review and evaluate the performance of the Board. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The annual review includes consideration of the following measures:

- (a) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (b) review the Board's interaction with management;
- (c) identification of any particular goals and objectives of the Board for the next year;
- (d) review the type and timing of information provided to the Directors; and
- (e) identification of any necessary or desirable improvements to Board.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

Committees

Similar procedures to those for the Board review will be applied to evaluate the performance of any Board committees established by Dicker Data. An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of non-executive Directors in conjunction with them, having particular regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board committees; and

(f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

The Principle 2 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- *The practices necessary to maintain confidence in the company's integrity*
- *The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*
- *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

Dicker Data is currently preparing formal Code of Conduct Policies for adoption by the Board which will apply (in addition to the above requirements) on and from approval by the Board.

Generally, Dicker Data requires that its Directors, management and staff comply with and respect the law, conduct themselves professionally and commit to the standards of employment set down by Dicker Data. Dicker Data also requires that all potential conflicts of interest are reported and that its Code of Conduct for Dicker Data's obligations to Stakeholders and Code of Conduct for directors and key officers be otherwise complied with.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Directors, officers, consultants and employees of Dicker Data are aware of their legal responsibilities and adhere to the following policy:

1. Directors, officers, consultants and employees of Dicker Data shall, at all times, not breach the insider trading requirements of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and not engage in insider trading of Dicker Data shares or shares of any other company.
2. In accordance with the Corporations Act and the Listing Rules of the Australian Securities Exchange (**ASX**), Directors must advise Dicker Data and the ASX of any interests held by that Director, or his related entity, in securities or contracts of Dicker Data.

Dicker Data is currently preparing a formal Securities Trading Policy for adoption by the Board which will apply (in addition to the above requirements) on and from approval by the Board.

Recommendation 3.3: Companies should provide the information indicated in the Guide to reporting on Principle 3.

The Principle 3 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1: The board should establish an audit committee.

The Board considers that its relatively small size and the expertise of directors allows the full Board to perform an audit committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Rather, the Board will have processes and procedures in place which will address the issues that would otherwise be considered by the audit committee including:

- (a) monitoring the independence of the external auditor who is required to confirm such independence on at least a semi-annual basis; and
- (b) monitoring and the performance and terms of the audit engagement on an annual basis and updating, changing or replacing them as appropriate.

The Board will review the audit requirements and processes of Dicker Data at least on an annual basis, and otherwise as Dicker Data's operations evolve, to ensure that its audit requirements are being appropriately handled. The Board will establish an Audit Committee in the future as it deems appropriate.

Recommendation 4.2: Structure the audit committee so that it consists of:

- ***only non-executive directors***
- ***a majority of independent directors***
- ***an independent chairperson, who is not chairperson of the board***
- ***at least three members.***

For the reasons noted above and due to the relative size and nature of Dicker Data's activities, the Board does not consider it necessary or appropriate to adopt Recommendation 4.2. However, should an Audit Committee be established in the future, it will be structured to be commercially cost effective and appropriate to Dicker Data's size and structure, having regard to Recommendation 4.2.

Recommendation 4.3: The audit committee should have a formal charter.

For the reasons noted above and due to the relative size and nature of Dicker Data's activities, the Board does not consider it necessary or appropriate to adopt Recommendation 4.3. However, should an Audit Committee be established in the future, a formal Audit Committee Charter will be adopted in compliance with Recommendation 4.3.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

The Principle 4 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.

The Board aims to ensure that the market is properly informed of all the information that is required to be disclosed under the Listing Rules of the ASX. The ultimate determination as to whether or not to disclose in doubtful cases may be made by the Board and/or the Chairman, taking into account the overall situation of Dicker Data and, if necessary, legal or other advice.

The Board intends to establish a Continuous Disclosure Compliance Committee to deal with continuous disclosure issues. The Continuous Disclosure Compliance Committee will consist of the Chairman, the Company Secretary and, where available, any other Director.

Dicker Data is currently preparing a formal Continuous Disclosure Policy for adoption by the Board which will apply to Dicker Data on and from approval by the Board.

Under the Board's Continuous Disclosure Policy, all senior personnel must ensure that all reporting staff report any material event or development within their area of responsibility to their manager and to one or more of the Chairman and the Company Secretary.

The Company Secretary will be the point of contact with the ASX. As a listed company, Dicker Data will not release information that is for release to the market to any person until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

The Principle 5 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 6: Respect the Rights of Shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Dicker Data aims to convey to its shareholders pertinent information in a detailed, regular, factual and timely manner.

The Board will ensure that the annual report includes relevant information about the operations of Dicker Data during the year, and changes in the state of affairs of Dicker Data, in addition to the other disclosures required by the Corporations Act.

Information will be communicated to shareholders by Dicker Data through:

1. Placement of market announcements on Dicker Data's web-site **dickerdata.com.au** after the information has been given to the ASX and the usual acknowledgement has been received;
2. The annual and interim financial reports (for those shareholders who have requested a copy);
3. Disclosures to the ASX;
4. Notices and explanatory memoranda of annual general meetings; and
5. All shareholders are invited to attend and raise questions at the annual general meeting.

All shareholders are welcome to communicate directly with Dicker Data.

All queries will be answered to the maximum extent possible (with consideration given to commercially sensitive information, privacy requirements and Dicker Data's disclosure obligations) and in a timely fashion.

Dicker Data has not established any other formal policy document other than as noted above.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Principle 6 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 7: Recognise and Manage Risk

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Although no formal policy has been adopted, the Board is committed to ensuring that the risks associated with Dicker Data's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls.

The Board is to monitor and receive advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas of risk to be regularly considered at Board meetings are to include intellectual property, changes in government regulation, technology changes, human resources, integrity of data, statutory compliance and continuous disclosure obligations.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

The Chief Executive Officer manages Dicker Data's material business risks and reports to the Board.

Materiality thresholds

Dicker Data regularly reviews procedures, and ensures timely identification of material information and materiality thresholds.

Materiality judgments can only be made on a case by case basis, when all the facts are available. In accordance with Accounting Standard AASB 1031, the Board would consider an amount which is:

- (a) equal or more than 10% of an appropriate base amount to be material unless there is evidence or convincing argument to the contrary; and
- (b) equal to or less than 5% of an appropriate base amount to be immaterial unless there is evidence or convincing argument to the contrary.

The level between 5% and 10% of an appropriate base amount is considered to be a subjective area to be resolved by the Board.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Dicker Data requires that these statements are certified by the Chief Executive Officer and the Chief Financial Officer.

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

The Principle 7 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1: The board should establish a remuneration committee.

The Board considers that its relatively small size and the expertise of directors allows the full Board to also perform a remuneration committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Rather, the Board will have processes and procedures in place which will address the issues that would otherwise be considered by the remuneration committee including ensuring that fees and remuneration to directors accord with the principles set out in 8.2 below.

The Board will establish a remuneration committee in the future if it deems appropriate.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

With respect to non-executive Directors, the Board (or if established, the Remuneration Committee) is to ensure that:

- (a) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to that aggregate amount at the Annual General Meeting;
- (b) non-executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (c) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to Dicker Data's shareholders.

With respect to executives, the Board (or if established, the Remuneration Committee) is to ensure that:

- (a) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to Dicker Data's circumstances and objectives;
- (b) a portion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (c) recommendations are made to the Board with respect to quantum of bonuses to be paid to executives.

Recommendation 8.3: Companies should provide the information indicated in the Guide to reporting on Principle 8.

The Principle 8 information will be disclosed appropriately, including in the corporate governance statement in the Dicker Data annual report.