

## DIMENSIONAL FUNDS PLC / DIMENSIONAL FUNDS II PLC

(together, the Company)

### Shareholder Engagement Policy

#### INTRODUCTION

The Company is subject to the terms of the Irish regulations<sup>1</sup> implementing Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the Encouragement of Long-Term Shareholder Engagement.

Accordingly, the Company is obliged to have and disclose a Shareholder Engagement Policy that describes how it integrates shareholder engagement into its investment strategy in the context of its investment in shares of companies traded on an EU regulated market.

The Company has appointed Dimensional Fund Advisors Ltd (**Dimensional UK**) as its investment manager pursuant to an investment management agreement entered into by the Company and Dimensional UK. Under this agreement, the Company has delegated to Dimensional UK the right to determine whether to exercise any or all rights or discretionary acts, including, without limitation, voting rights, attaching to investments acquired on behalf of any sub-fund of the Company. Accordingly, in the context of the Company's obligation to develop and disclose a Shareholder Engagement Policy, the Company has endorsed Dimensional UK's policy as regards matters called to be dealt with under the Shareholder Engagement Policy. These include:

- how Dimensional UK integrates shareholder engagement into their investment strategy, when acting for clients, including the Company;
- whether and how Dimensional UK monitors investee companies on relevant matters including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance;
- whether and how Dimensional UK conducts dialogue with investee companies, where appropriate;
- how Dimensional UK exercises voting and other rights attaching to shares held by the Company;
- whether and how Dimensional UK cooperates with other shareholders;
- whether and how Dimensional UK communicates with relevant stakeholders of investee companies; and
- how Dimensional UK manages actual and potential conflicts of interest in regard to engaging with investee companies.

In this regard:

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<sup>1</sup> These have not issued yet (as at 6 June 2019).

- Dimensional UK has adopted a Stewardship Code Statement which outlines its approach to the 7 principles of the UK Stewardship Code – this can be accessed at <https://eu.dimensional.com/en/stewardship-code>
- Dimensional UK has also adopted a Responsible Investment Statement which outlines how it endeavours to comply with the United Nations Principles for Responsible Investment – this can be accessed at <https://eu.dimensional.com/en/about-us/corporate-governance>;

(together the **Shareholder Engagement Materials**).

The Shareholder Engagement Materials set out how Dimensional UK, when acting in respect of its clients, including the Company, addresses the matters that are called to be dealt with in the Shareholder Engagement Policy as detailed above. Accordingly interested parties should refer to the Shareholder Engagement Materials for such details.

The Shareholder Engagement Materials may be updated from time to time and such updated Shareholder Engagement Materials will be made available on this website.

The Company will disclose, on an annual basis, on this website, how the Shareholder Engagement Policy has been implemented by Dimensional UK, in its capacity as investment manager of the Company, and will provide a general description of voting behaviour, an explanation of the most significant votes undertaken and the use of services of proxy advisors. The Company will also publically disclose how votes were cast on its behalf in general meetings of companies in which the Company holds shares, excluding votes that are insignificant due to the subject matter of the vote or the size of the holding in the underlying company.

**Date of Policy: 7 June 2019**