

# Proxy Voting Report 2016



## Active Ownership: Proxy Voting

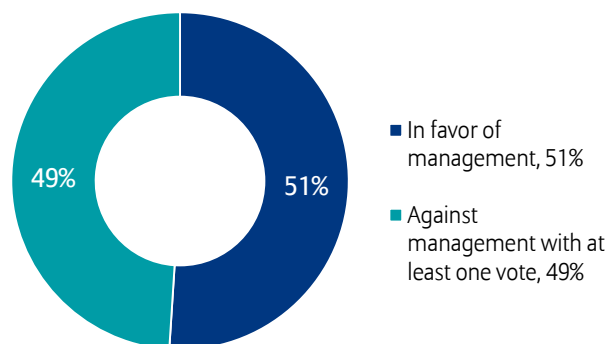
At AllianzGI, we take our fiduciary obligation to be an active shareholder very seriously. We therefore exercise our voting rights with respect to our investee companies with the aim of preserving and enhancing the value of our investments for our clients over the long term.

AllianzGI aims to achieve the very highest levels of quality and transparency. We have developed Global Corporate Governance Guidelines which provide a general framework for our proxy voting analysis and are intended to address the most significant and frequent voting issues that arise at our investee companies' shareholder meetings.

Consistent with our investment philosophy and approach, we routinely engage in dialogue with investee companies and seek to proactively present a viewpoint, seek change where necessary, and monitor the results of our engagement. Our investment views are influenced by the outcomes of these engagements and are linked organically to the proxy voting process, forming a consistent stewardship approach. The Stewardship Statement summarizes our approach to proxy voting and company engagement and explains how we manage conflicts of interests that may arise in relation to our stewardship activities among others. AllianzGI invests significant time and resources evaluating corporate governance issues on an individual basis and employs Institutional Shareholder Services Inc. (ISS) as its voting agent.

Figure 1: Global Voting Summary

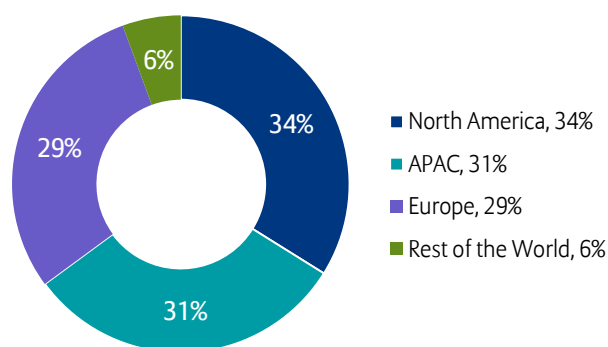
Number of company meetings voted



Source: Allianz Global Investors, 5,794 voted meetings as at 31 December 2016.

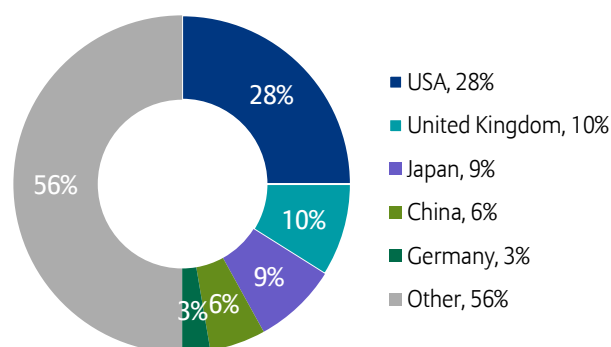
In 2016, AllianzGI voted at a total of 5,794 of shareholder meetings, covering 61,618 resolutions. AllianzGI voted at least once against management at 2,838 meetings, representing a share of 49% of all meetings voted and 12% of all voted resolutions (see figure 1).

Figure 2: Meetings voted per region  
Region



Source: Allianz Global Investors, as at 31 December 2016.  
For illustrative purposes only.

Figure 3: Meetings voted per country  
Country



Source: Allianz Global Investors, as at 31 December 2016.  
For illustrative purposes only.

With a share of 34%, North America is the largest geographic region in terms of our proxy voting activities (see figure 2). The USA, United Kingdom, Japan, China and Germany represent AllianzGI's largest markets in terms of the number of meetings covered by our proxy voting activities (see figure 3).

## Management proposals

Board and director elections, remuneration and capital related authorities accounted for most of the votable management proposals and AllianzGI's votes against management (see figure 4). In particular, we voted against management in 9% of board related proposals, reflecting concerns with:

- Balance of independence on the board and main board committees;
- Concentration of power at the top of the company;
- Board tenure, diversity, number of external board positions held by directors; and
- Other board governance issues.

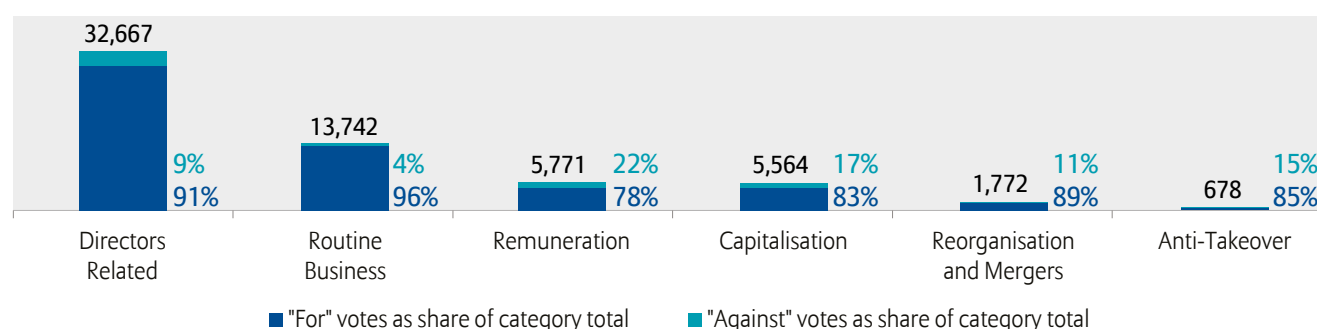
AllianzGI voted against 22% of proposals related to board and executive remuneration. The main reasons for these votes include:

- Quantum and structure of remuneration for non-executive board members, including performance related compensation;
- Insufficient disclosure of performance KPIs and targets for executive directors;
- Weak connection between the company's strategic objectives, business value drivers and incentives for executive directors; and
- Poor link between executive remuneration and company performance.

Our votes against capital related measures (17%; see figure 4) were mainly driven by concerns over:

- Dilution;
- Shareholder rights, including rights to approve material transactions; and
- Unconvincing rationale for certain share issuance proposals.

Figure 4: Votes on management resolutions per proposal category



Source: Allianz Global Investors as at 31 December 2016. AllianzGI voted on 60,194 proposals. For illustrative purposes only.

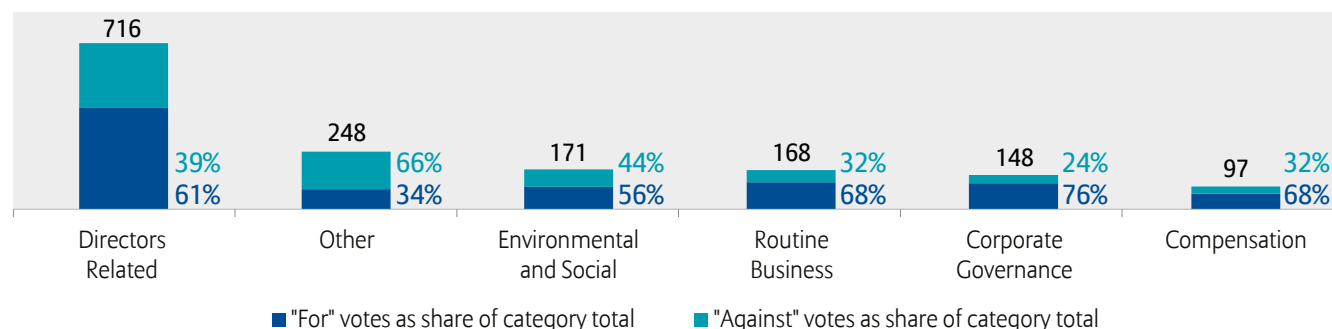
## Shareholder proposals

AllianzGI voted on 1,548 shareholder proposals in 2016, supporting 53% of all shareholder resolutions (see figure 5).

In particular, AllianzGI supported:

- 61% of board and director related proposals;
- 56% of proposals seeking improvements in environmental and social practices;
- 76% of proposals aimed at improving corporate governance standards; and
- 68% of compensation related proposals.

Figure 5: Votes on shareholder resolutions per proposal category



Source: Allianz Global Investors as at 31 December 2016. AllianzGI voted on 1,548 proposals. For illustrative purposes only.

## Disclaimer

Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

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