

Report on Kestrel Partners LLP voting behaviour in respect of Kestrel clients

Period 1 April 2025 – 31 March 2026

The Kestrel ESG Engagement Policy (SRDII) is published on our website at www.kestrelpartners.com. We adhered to our policy in the period under review and this report considers our voting behaviour in respect of both our Principal Investee Companies (“PICs”), where Kestrel manages combined holdings of over 3% of the issued equity, together with smaller holdings held in the larger managed accounts and funds. Consistent with prior periods, we did not routinely vote shares held in smaller managed accounts given the minimal holdings and relatively high cost of voting.

Our voting behaviour generally

In summary, Kestrel Partners LLP voted on behalf of clients at every general meeting and on every resolution during the period, as set out below:

	Shareholder meetings held in period	Shareholder meetings at which we voted	Total number of resolutions presented	Total number of resolutions on which we voted	Resolutions where we voted AGAINST	Resolutions where we WITHHELD our vote
Annual General Meetings	20	20	252	252	14	0
General Meetings	5	5	12	12	0	0
	25	25	264	264	10	0

Our general approach to investee company engagement prior to a general meeting

We encourage and expect investee companies to discuss any significant or unusual resolutions with us prior to convening a shareholder meeting. As part of this process, conducted by way of formal market soundings where appropriate, we provide feedback and suggestions on such resolutions.

In our experience, investee companies tend to make amendments to their formal resolutions taking our feedback, and that of other institutional investors, into account. Where we are unable to get comfortable with a proposed resolution, we carefully consider issuing an AGAINST vote or withholding our vote.

How we voted in general meetings in relation to Principal Investee Companies

During the period under review, we voted FOR all resolutions put to a meeting, other than those set out below, having obtained sufficient amendments or explanations to those resolutions of most significance.

We voted AGAINST a total of 14 resolutions as follows:

- 6 resolutions seeking disapplication of pre-emption rights when issuing 10% new shares for cash and 10% new shares for cash to be used on an acquisition. Our position on such resolutions is that except in exceptional circumstances a maximum of 10% pre-emption rights is a reasonable resolution, notwithstanding the current market guidance from the Pre-Emption Group of the FRC permitting 20% in total;
- 3 resolutions where one company sought shareholder approval for a new share plan which then permitted the Remuneration Committee to waive conditions, the Board to amend the rules and for which we didn’t agree with the structure. We voted against the Remuneration Committee report, the reappointment of the Remuneration Committee Chair and the proposed share plan; and

- 5 resolutions seeking to appoint Non-Executive Directors where we considered there to be too many NEDs, those NEDs there lacked software experience and the Remuneration Committee was failing to set sufficiently challenging targets for executive options.

Most significant votes cast on resolutions considered in the period

The most significant resolutions we considered during the period were as follows:

- All companies – standing authorities for the disapplication of pre-emption rights on issue of new shares for cash (AGMs). We consider all resolutions related to this matter as significant and, other than in exceptional situations, we do not expect companies to seek more than a standing 5% and 5% disapplication at AGM (a total of 10%). We voted FOR all such AGM resolutions other than for two resolutions (at the same company) as set out above which deemed unnecessary. We note the Pre-Emption Group's support for 10% and 10% levels of disapplication of pre-emption rights, which we do not agree with as a matter of policy.
- We believe that executive management incentive plans are an essential part of remuneration and that any plan should be carefully aligned to the circumstances of the company and well aligned with shareholders. In the case of one company, we did not consider the incentive plan to be sufficiently challenging. The company failed to take our views into account and as a result we voted AGAINST resolutions for NED re-appointment, approval of the Remuneration Committee policy and the proposed share scheme to make our view clear.
- We voted FOR a number of proposals designed to facilitate the return of value to shareholders.

Our use of proxy advisers to guide our voting behaviour

We consider each company resolution on its individual merits when deciding how to vote the shares, taking account our own views and generally accepted market practice.

Kestrel did not make use of proxy advisers during the period. We keep the future use of proxy advisers under review.