

Key committee independence at WELL Health Technologies Corp.

July 2024

Company: WELL Health Technologies Corp. (WELL Health)

Meeting date: June 12, 2024

Proposal(s): Items 2.1–2.6: Elect Directors

How the funds voted

At the 2024 annual meeting of WELL Health, a Canadian-listed multichannel digital health technology and services company, the Vanguard-advised funds supported the reelection of all directors.¹

The funds' proxy voting policies

As articulated in the funds' proxy voting policies, the Vanguard-advised funds look for boards to be appropriately independent of company management in both form and substance. The funds generally define independence in accordance with the relevant exchange listing standards and local corporate governance codes.

The Vanguard-advised funds' proxy voting policy states that, for non-controlled companies, we look for all key committees, including the nominating committee, to be fully independent.

Independence at the board level supports a structure of shareholder representatives who are independent in mindset and able to fulfill their role to properly challenge management. In practice, in our view this generally means that the majority of directors on each board should be independent and that the board's key committees should be composed solely of independent directors.

Analysis and voting rationale

At the 2024 WELL Health annual meeting, all six directors were up for reelection. Upon reviewing the company's proxy statement, we noted that the board did not have a formal nominating committee. According to the company's 2024 proxy statement, the full board was responsible for recruiting and identifying new directors to serve on the board. We thus inferred that the CEO, as a member of the board, had a role in nominating directors.

¹ Vanguard's Investment Stewardship program is responsible for proxy voting and engagement on behalf of the quantitative and index equity portfolios advised by Vanguard (together, "Vanguard-advised funds"). Vanguard's externally managed portfolios are managed by unaffiliated third-party investment advisors, and proxy voting and engagement for those portfolios are conducted by their respective advisors. As such, throughout this document, "we" and "the funds" are used to refer to Vanguard's Investment Stewardship program and Vanguard-advised funds, respectively.

Given the CEO's involvement in director nominations, we reached out to the company to gain any additional information and clarify our understanding. The company shared that the CEO would no longer participate in the director nominations process. Although the board did not state any intention of creating an official nominating committee, the CEO's stepping down

from the informal committee would result in the function being performed by only independent directors, which would be in line with market standards. Given this upcoming change, the funds supported all directors on the ballot at the company's 2024 annual meeting. We encouraged the company to include this structural change to the director nomination process in future disclosures.

Vanguard publishes information regarding its voting and engagement activities, including the funds' proxy voting policies, Insights, and quarterly reports, to promote good corporate governance practices and to provide public companies and investors with our perspectives on important governance topics and key votes. This is part of our effort to provide useful disclosure of Vanguard's investment stewardship activities. We aim to provide clarity on Vanguard's positions on governance matters beyond what a policy document or a single vote can provide.

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