

Wells Fargo - 2021

Our company is suffering a prolonged crisis of public, government, and consumer trust, paying over 21.1 billion dollars in penalties since 2000;

The crisis has caused our company to lose the trust of our depositors, due to the 3.5 million accounts using fictitious or unauthorized customer information (185 million dollars in penalties) and 800,000 people forced to take redundant auto insurance from 2012 to 2017 (80 million dollars in refunds and compensation);

The Consumer Financial Protection Bureau and Office of the Comptroller of the Currency settled with our company for \$1 billion for failure to manage risk, and the United States Department of Justice settled for \$2 billion over mortgage backed securities originated by Wells Fargo;

In a House Financial Services Committee hearing the Chair stated: “Wells Fargo’s ongoing lawlessness and failure to right the ship, suggests the bank... is simply too big to manage”, and “regulators seem unwilling to take forceful actions;”

In 2019 at shareholders’ request, our company’s Governance and Nominating Committee produced a report on the feasibility of Wells Fargo becoming a Delaware Public Benefit Corporation (PBC), but the board declined to recommend conversion of the company to a PBC.

In July 2020, Delaware adopted new amendments to the public benefit law that made the adoption of the new structure more attractive and accessible.

[<https://www.jdsupra.com/legalnews/new-amendments-to-delaware-general-76927/>].

The amended law reduces certain board member fiduciary liabilities for breaches of

stakeholder interests and reduces the required shareholder approval of a PBC conversion from supermajority to a majority vote.

Since our CEO signed on to the Business Roundtable (BRT) statement of the purpose of the corporation expressing support to rebuild trust, transform our company and better serve stakeholders, implementation of the amended Delaware public benefit law at our company appears to the proponent to be timely and necessary.

Through PBC conversion, our company would have expanded accountability to shareholders for the interests of those materially affected by the corporation's conduct, including depositors, regulators and others who have lost trust in the company, and a new legal obligation to report on the company's impact on those stakeholders;

Resolved: that Shareholders request the Board to amend the company's Restated Certificate of Incorporation to become a Public Benefit Corporation pursuant to Delaware law, and to submit the amended certificate to shareholders for approval. Such a change would go further to encourage the company to operate in a responsible and sustainable manner that balances the stockholders' pecuniary interests, the best interests of those materially affected by the corporation's conduct, and the specific public purpose to be named in the Certificate of Incorporation.

Supporting Statement: The proponent recommends that the Board, in its discretion, consider stating the public purpose in the amended certificate that reflects a forward looking vision regarding the company's impacts on stakeholders. For example, the purpose in the certificate could be stated as "providing fair, inclusive and equitable access to financial services in a diverse world."