

CtW Investment Group

March 9, 2020

The Board of Directors
Wells Fargo & Company
P.O. Box 63750
San Francisco, CA 94163

To the Wells Fargo Board of Directors,

In light of the sudden and unexpected resignations of Chairman Elizabeth Duke and director James Quigley, we urge the board to immediately take the steps described below to reassure long-term shareholders, regulators, and the public at large of your collective commitment to fixing Wells Fargo's long-troubled operations. That these resignations took place on the eve of hearings by the House Financial Services Committee at which Ms. Duke and Mr. Quigley were expected to testify, makes it all too clear that our company is still a long way from truly putting its scandals behind it. We believe that Wells Fargo will only be able to restore its reputation and return to sustainable long-term growth when customers, employees, and regulators are all convinced that the company has fully acknowledged its past misdeeds and comprehensively reconsidered its internal structure and standard operating procedures.

Such acknowledgement and reconsideration should include the following:

- Complete the process of board refreshment by replacing director Donald M. James prior to or at this year's annual shareholder meeting. Mr. James has served on the Wells Fargo board for more than 10 years, and bears responsibility both for the board's failure to respond adequately to reports of false account creation, excessive sales pressure, and retaliation against whistleblowers from at least 2012 on.
- Agree to a long-overdue meeting with the Committee for Better Banks, and not merely with current Wells Fargo employees who are members of the CBB. The CBB had demonstrated over the past seven years that it is a reliable and responsible advocate for bank workers, and repeatedly attempted to alert the Wells Fargo board to the problems that excessive sales goals were creating between 2013 and 2015. Any claim by Wells Fargo that its problems have been resolved that does not earn the CBB's endorsement will not be credible.
- Implement a robust process of employee consultation to enable Wells Fargo employees to oversee and participate in Wells Fargo's ongoing efforts to resolve the false accounts scandal and restore its reputation, including:
 - A genuinely independent and transparent investigation into the vast number of allegations of retaliation against employees who reported wrongdoing by co-workers or managers. Despite our repeated efforts in dialog with Wells Fargo over five years, we still have never learned how the internal investigation of retaliation claims was conducted, what criteria were used to determine if retaliation took place and/or if such retaliation was systemic, and what changes to company policy, if any, resulted.

- A comprehensive reexamination of the incentive structures in place at every level and business line at Wells Fargo, in order to ensure that these incentives are consistent with sustainable banking practices, best practices in human capital management, and the interests of long-term shareholders.

Given our long-standing efforts to work with the Wells Fargo board in order to fix the company and ensure that it has a sustainable future, we are very disappointed that the board has repeatedly dragged its feet in addressing the heart of the problem: a lack of effective employee consultation. Absent a clear willingness to undertake the steps described above, we will oppose the re-election of director Donald M. James at this year's annual meeting.

If you have any questions or would like to discuss these matters further, please contact our Research Director Richard Clayton at richard.clayton@ctwinvestmentgroup.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dieter Waizenegger". The signature is fluid and cursive, with a prominent initial "D" and a stylized "W".

Dieter Waizenegger
Executive Director