



- (1) Title of each class of securities to which transaction applies:
  
- (2) Aggregate number of securities to which transaction applies:
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
- (4) Proposed maximum aggregate value of transaction:
  
- (5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  
- (2) Form, Schedule or Registration Statement No.:
  
- (3) Filing Party:
  
- (4) Date Filed:

Table of Contents

## WELLS FARGO & COMPANY

March 16, 2016

Dear Stockholder,

The 2016 annual meeting of stockholders of Wells Fargo & Company will be held on April 26, 2016 at 8:00 a.m., Mountain Standard Time, at the Hyatt Regency Scottsdale at Gainey Ranch, 7500 East Doubletree Ranch Road, Scottsdale, Arizona. Please read the notice of meeting and proxy statement accompanying this letter carefully so that you will know what you are being asked to vote on at the meeting and what you will need to do if you want to attend the meeting in person or listen to live audio of the meeting.

Our proxy materials are available over the internet, and most of our stockholders will receive only a notice containing instructions on how to access the proxy materials over the internet and vote online. If you receive this notice but would still like to receive paper copies of the proxy materials, please follow the instructions on the notice or on the website referred to on the notice.

Your vote is important. Please vote as soon as possible even if you plan to attend the annual meeting. The notice and the proxy statement contain instructions on how you can vote your shares over the internet, using your mobile device, by telephone, or by mail. If you need help at the meeting because of a disability, please call us at 1-866-878-5865, at least one week before the meeting.

Thank you for your interest in Wells Fargo.

Sincerely,

John G. Stumpf

*Chairman and Chief Executive Officer*

**Table of Contents**

**WELLS FARGO & COMPANY**

420 Montgomery Street

San Francisco, California 94104

**Notice of Annual Meeting of Stockholders**

Tuesday, April 26, 2016

8:00 a.m., Mountain Standard Time (MST)

Hyatt Regency Scottsdale at Gainey Ranch

7500 East Doubletree Ranch Road

Scottsdale, Arizona 85258

**Items of Business**

1. Elect as directors the 15 nominees named in our proxy statement;
2. Vote on an advisory resolution to approve executive compensation;
3. Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016;
4. Vote on a stockholder proposal to adopt a policy to require an independent chairman, if properly presented at the meeting and not previously withdrawn;
5. Vote on a stockholder proposal to provide a report on the Company's lobbying policies and practices, if properly presented at the meeting and not previously withdrawn; and

6. Consider any other business properly brought before the meeting.

## Record Date and Voting

You may vote if you owned shares of our common stock at the close of business on March 1, 2016, the record date for notice of and voting at our annual meeting.

It is important that your shares be represented and voted at the meeting. You can vote your shares over the internet, using your mobile device, or by telephone. If you received a paper proxy card or voting instruction form by mail, you may also vote by signing, dating, and returning the proxy card or voting instruction form in the envelope provided. Voting in any of these ways will not prevent you from attending or voting your shares at the meeting. For instructions on how to vote your shares, see the information beginning on page 81 of the proxy statement.

## Meeting Admission and Notice of Internet Availability of Proxy Materials

You or your legal proxy may attend the meeting if you owned shares of our common stock at the close of business on March 1, 2016. **If you or your legal proxy plan to attend the meeting in person, you must follow the admission procedures described on page 84 of the proxy statement. If you do not comply with these procedures, you or your legal proxy will not be admitted to the meeting.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on April 26, 2016:** Wells Fargo's 2016 Proxy Statement and Annual Report to Stockholders for the year ended December 31, 2015 are available at: [www.proxypush.com/wfc](http://www.proxypush.com/wfc) (for record holders) or [www.proxyvote.com](http://www.proxyvote.com) (for street name holders and Company Plans participants).

By Order of the Board of Directors,

Anthony R. Augliera

Corporate Secretary

*This notice and the accompanying proxy statement, 2015 annual report, and proxy card or voting instruction form were first made available to stockholders beginning on or about March 16, 2016.*

**Table of Contents**

## **Proxy Statement Summary**

This summary highlights certain information contained in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

## **Wells Fargo 2016 Annual Meeting of Stockholders**

**Date and Time:**

Tuesday, April 26, 2016

8:00 a.m., MST\*

**Place:**

Hyatt Regency Scottsdale at Gainey Ranch

7500 East Doubletree Ranch Road

Scottsdale, Arizona 85258

\*Arizona does not recognize Daylight Saving Time

## **Items of Business and Voting Recommendations**

**Items for Vote**

**Board Recommendation**

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

- |      |  |                               |
|------|--|-------------------------------|
| 1.   | Elect 15 directors   | <b>FOR</b> all nominees       |
| 2.   | Advisory resolution to approve executive compensation (Say on Pay)   | <b>FOR</b>                    |
| 3.   | Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016 | <b>FOR</b>                    |
| 4-5. | Two stockholder proposals as described in our Notice of Annual Meeting                                     | <b>AGAINST</b> both proposals |

In addition, stockholders may be asked to consider any other business properly brought before the meeting.

### Voting and Admission to Wells Fargo 2016 Annual Meeting of Stockholders

**Voting.** Holders of our common stock as of the record date, March 1, 2016, are entitled to notice of and to vote at our annual meeting. Each share of common stock outstanding on the record date is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on at our annual meeting.

Even if you plan to attend our annual meeting in person, please cast your vote as soon as possible by:

using the Internet

scanning the QR  
Barcode on your  
voting materials

calling toll-free  
from the U.S.,  
U.S. territories  
and Canada

mailing your signed  
proxy or voting  
instruction form

Check your notice of internet availability of proxy materials or your proxy or voting instruction form for the web address of our internet voting site, applicable QR Barcode, and toll-free telephone voting number.

**Admission.** Wells Fargo stockholders as of the record date are entitled to attend the annual meeting. Our admission procedures require all stockholders attending the annual meeting to present an admission ticket available online or other proper verification of stock ownership and a valid photo ID. **Please review the admission procedures under Voting and Other Meeting Information Meeting Admission Information on page 84.**

**Live Audio of Meeting.** You may listen to live audio of the annual meeting, but will not be able to vote your shares or ask questions while you are listening to the meeting. Please see page 84 for more information on how to listen to the live annual meeting.

**Each stockholder's vote is important.**

**Please submit your vote and proxy over the internet, using your mobile device, or by telephone, or complete, sign, date, and return your proxy or voting instruction form.**



Table of Contents

**Corporate Governance Highlights**

**Recent Corporate**

**Governance**

**Enhancements**

**and Updates**

**Implemented Proxy Access.** The Board amended the Company’s By-Laws, effective December 17, 2015, to permit an eligible stockholder (or a group of up to 20 stockholders) who has owned 3% of the Company’s stock for 3 years to nominate up to the greater of 2 directors and 20 percent of the Board, subject to the terms and conditions in the By-Laws.

**Elected President and Chief Operating Officer in November 2015.** As part of the Board’s oversight of management succession planning, the Board elected Timothy J. Sloan as President and Chief Operating Officer in November 2015.

**Increased Oversight of Political and Lobbying Activities and Spending.** The Company increased reporting provided to the Board’s Corporate Responsibility Committee on political and lobbying activities as part of the committee’s oversight responsibilities for the Company’s government relations activities and public advocacy policies and programs.

**Enhanced Oversight of Information Security Risk (including Cyber) and Technology Risk.** The Board enhanced Audit and Examination Committee and Risk Committee oversight of information security risk (including cyber) and technology risk through the holding of periodic joint meetings of those committees to focus on these specific risks.

**Updated Code of Ethics and Business Conduct Applicable to Team Members and Directors.** The Board approved an updated Code of Ethics and Business Conduct, effective April 1, 2016, which applies to our team members and directors and continues to reflect our core value of holding ourselves to the highest standards of ethical behavior.

**Board Governance**

Independent Lead Director

14 of 15 director nominees are independent

All standing Board committees consist solely of independent directors

Held 9 Board meetings in 2015

Board meets regularly in executive session

96.75% average Board attendance in 2015 at Board and committee meetings

Annual director elections

**Stockholder Rights**

**and Engagement**

Directors elected by a majority of votes cast in uncontested elections, and by plurality vote in contested elections

Stockholders may call special meetings and act by written consent

Lead Director and senior management participate in investor outreach program with the Company’s largest institutional investors, and during 2015 the Company engaged with institutional investors representing approximately 25% of our outstanding common stock to discuss a variety of topics, including proxy access, Board composition, director tenure, other current governance issues, and our executive compensation program

Pay-for-performance compensation philosophy and approach

**Compensation**

Robust stock ownership and retention policies for our non-employee directors and executive officers

**Board Oversight of  
Strategy and Risk**

Prohibit hedging of Company securities

Prohibit pledging by directors and executive officers of Company equity securities as collateral for margin or other similar loan transactions

Multiple executive compensation clawback and recoupment policies

Independent compensation consultant engaged by Human Resources Committee  
Board oversight of Company strategy, financial performance, risk management framework, and risk appetite

Risk oversight by full Board and its committees

Risk Committee includes the chairs of each of the Board's standing committees

Board oversight and reinforcement of our strong ethics and risk cultures

Compensation program designed consistent with the safety and soundness of the Company and without undue risk

**Table of Contents**

## **Our Board Composition**

Our Board's Governance and Nominating Committee regularly evaluates the size and composition of the Board and assesses whether there is an appropriate balance of experience and perspectives on the Board. The Board's succession planning in 2015 and the beginning of 2016 reflected its continued focus on the importance of Board refreshment, the upcoming retirements of directors and succession plans for committee chairs, our commitment to Board diversity, and recruiting strategies for adding new directors to complement the existing skills and experience of the Board in areas identified in the Board's annual self-evaluation process. The accompanying charts illustrate the varying tenure, diversity, and qualifications and experience of our director nominees.

### **Recent changes in Board composition and committee Chair roles include:**

After 17 years of dedicated service on our Board, Judith M. Runstad has decided not to stand for re-election and will retire from our Board at the 2016 annual meeting

Federico F. Peña succeeded Ms. Runstad as Chair of the Corporate Responsibility Committee and a member of the Risk Committee on March 1, 2016

Elizabeth A. Duke, an independent director with financial services and risk management experience, joined our Board in January 2015 and serves on our Credit Committee, Finance Committee, and Risk Committee

Suzanne M. Vautrinot, an independent director with cyber security experience, joined our Board in February 2015 and serves on our Audit and Examination Committee and Credit Committee

As a result of Ms. Runstad's retirement, the size of our Board will decrease to 15 members at our 2016 annual meeting, which is consistent with the size range (14 to 19 directors) of the Board over the last 10 years.

#### **Wells Fargo Policy:**

Our Board recognizes the importance of an appropriate balance of

#### **Wells Fargo Process:**

The GNC and the Board consider diversity in evaluating director

experience and perspectives on the Board and does not believe arbitrary term limits are appropriate.

Tenure reflects full years of completed service.

**Wells Fargo Policy:**

Retirement age of 72

nominees.

Gender, race, and ethnic diversity have been, and will continue to be, a priority for the GNC and the Board in its director nomination process because the GNC and the Board believe that it is essential that the composition of the Board appropriately reflects the diversity of the Company's team members and the customers and communities they serve.

**Table of Contents****Item 1 Election of Directors**

The table below provides a summary of information about each director nominee for election at the annual meeting.

Nominee	Age	Director Since	Principal Occupation	Principal Qualifications	Independent	Committees
			or Affiliation	and Experience		(*Chair)
<b>John D. Baker II</b>	67	2009	Executive Chairman and Director, FRP Holdings, Inc.	Financial Management; Business Development; Business Operations; Regulatory; Legal	Yes	AEC; CRC; Credit
<b>Elaine L. Chao</b>	62	2011	Former U.S. Secretary of Labor	Governmental Relations; Social Responsibility; Community Affairs; Regulatory; Human Resources; Governance	Yes	Credit; Finance
<b>John S. Chen</b>	60	2006	Executive Chairman and Chief Executive Officer, BlackBerry Limited	Technology; Information Security; Marketing/Consumer; International; Public Policy; Community Affairs	Yes	HRC
<b>Lloyd H. Dean</b>	65	2005	President, Chief Executive Officer and Director, Dignity Health	Business Operations; Regulatory; Social Responsibility; Strategic Planning; Community Affairs; Governance	Yes	CRC; GNC; HRC*; Risk
<b>Elizabeth A. Duke</b>	63	2015	Former member of the Federal Reserve Board of Governors	Financial Services; Risk Management; Financial Management; Governmental Relations; Regulatory	Yes	Credit; Finance; Risk
<b>Susan E. Engel</b>	69	1998	Retired Chief Executive Officer, Portero, Inc.	Marketing/Consumer; Technology; Business Operations; Strategic Planning; Business Development	Yes	Credit; Finance; HRC
<b>Enrique Hernandez, Jr.</b>	60	2003	Chairman, President, Chief Executive Officer and Director, Inter-Con Security Systems, Inc.	Risk Management; Legal; Financial Management; Strategic Planning; Management Succession Planning; Governance	Yes	CRC; Finance*; Risk*
<b>Donald M. James</b>	67	2009	Retired Chairman and Chief Executive Officer, Vulcan Materials Company	Risk Management; Legal; Strategic Planning; Regulatory; Management Succession Planning; Governance	Yes	Finance; HRC
<b>Cynthia H. Milligan</b>	69	1992	Dean Emeritus, College of Business Administration, University of Nebraska-Lincoln	Financial Services; Academia/ Public Policy; Regulatory; Risk Management; Legal; Social Responsibility	Yes	CRC; Credit*; GNC; Risk
<b>Federico F. Peña</b>	69	2011	Senior Advisor, Vestar Capital Partners; Former U.S. Secretary of Energy and Former U.S. Secretary of Transportation	Governmental Relations; Public Policy; Regulatory; Risk Management; Legal; Financial Management; Business Development; Social Responsibility	Yes	AEC; CRC*; GNC; Risk
<b>James H. Quigley</b>	64	2013	CEO Emeritus and a retired Partner of Deloitte	Accounting and Financial Reporting; Financial Management; Regulatory; Risk Management; Business Operations; Strategic Planning; Governance	Yes	AEC*; Credit; Risk
<b>Stephen W. Sanger</b>	69	2003	Retired Chairman and Chief Executive Officer, General Mills, Inc.	Marketing/Consumer; Strategic Planning; Human Resources; Management Succession Planning; Governance	Yes	Lead Director GNC*; HRC; Risk
<b>John G. Stumpf</b>	62	2006	Chairman and Chief Executive Officer, Wells Fargo & Company	Financial Services; Business Leadership; Financial Management; Business Operations; Risk Management	No	N/A
<b>Susan G. Swenson</b>	67	1998	Chair and Chief Executive Officer, Novatel Wireless, Inc.	Technology; Marketing/Consumer; Financial Management; Business Operations	Yes	AEC; GNC
<b>Suzanne M. Vautrinot</b>	56	2015	President, Kilovolt Consulting Inc.; Major General (retired), U.S. Air Force	Information/Cyber Security; Technology; Governmental Relations; Public Policy;	Yes	AEC; Credit

Business Operations; International

AEC Audit and Examination Committee  
CRC Corporate Responsibility Committee  
Credit Credit Committee  
Finance Finance Committee

GNC Governance and Nominating Committee  
HRC Human Resources Committee  
Risk Risk Committee

**The Board recommends that you vote *FOR* each of the nominees above.**

iv Wells Fargo & Company 2016 Proxy Statement

**Table of Contents****2015 Company Performance Highlights**

We highlight below the Company's 2015 performance and compensation decisions for our named executive officers: John G. Stumpf (CEO), John R. Shrewsbury (CFO), Timothy J. Sloan (President and Chief Operating Officer (COO) since November 2015, prior to that Senior Executive Vice President, Wholesale Banking), David M. Carroll (Senior Executive Vice President, Wealth and Investment Management), Avid Modjtabai (Senior Executive Vice President, Consumer Lending), and Carrie L. Tolstedt (Senior Executive Vice President, Community Banking).

Net income of \$22.9 billion, compared with \$23.1 billion for 2014

Diluted earnings per share of \$4.12, compared with \$4.10 for 2014

Revenue of \$86.1 billion, compared with \$84.3 billion for 2014

Noninterest expense of \$50.0 billion, compared with \$49.0 billion for 2014

Return on assets of 1.31%, compared with 1.45% for 2014

Return on equity of 12.60%, compared with 13.41% for 2014

**Company**

Returned \$12.6 billion to stockholders through dividends and net share repurchases

**Performance Highlights**

Strong capital position – Common Equity Tier 1 ratio (fully phased-in) well above the regulatory minimum and our internal buffer

Efficiency ratio of 58.1%, consistent with 2014

Loans of \$916.6 billion, compared with \$862.6 billion at year end 2014

Deposits of \$1,223.3 billion, compared with \$1,168.3 billion at year end 2014

Total stockholder return of 1.9%, 19.9%, and 14.7%, respectively, for the 1-, 3- and 5-year periods ended December 31, 2015

**2015 Compensation Decision Highlights**

Based on application of our compensation principles to the Company's 2015 results, consideration of the Company's performance and the individual performance of the named executives, and the other relevant factors described in our CD&A, the HRC approved the 2015 compensation decisions shown in the table below for our named executives. This table is not a substitute for, and should be read together with, the Summary Compensation Table on page 57 which presents named executive compensation paid, accrued, or awarded for 2015 in accordance

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

with SEC disclosure rules and includes additional compensation elements and other important information.

Named Executive	Base Salary Rate \$(4)	Annual Incentive Award (\$)	Long-Term Equity Incentives		Total (\$)
			Performance Share Award \$(2)	RSR Award \$(3)	
<b>John G. Stumpf</b>	2,800,000	4,000,000(1)	12,500,000		19,300,000
<b>John R. Shrewsberry</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Timothy J. Sloan</b>	2,000,000	1,000,000	6,500,000	1,500,000	11,000,000
<b>David M. Carroll</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Avid Modjtabai</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Carrie L. Tolstedt</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000

- (1) A portion of the annual incentive award amount for our CEO was paid in RSRs that vest over three years. See pp. 48-50.
- (2) Dollar value on date of grant of 2015 Performance Shares at target. Actual pay delivered or realized for Performance Shares will be determined in the first quarter of 2018 and may range from zero to 150% of the target shares, depending on Company performance. See pp. 53-54.
- (3) Dollar value on date of grant of July 2015 RSR grants vesting over four years beginning on the first anniversary of the grant date. See pp. 54-55.
- (4) Effective March 6, 2016, the base salary of Mr. Sloan was increased to \$2,400,000 and the base salary of each of Messrs. Shrewsberry and Carroll and Mes. Modjtabai and Tolstedt was increased to \$1,750,000. The increase in base salary for Mr. Sloan reflects his additional responsibilities as President and COO. Mr. Sloan retained his responsibilities as head of Wholesale Banking following his election as President and COO.

Consistent with our pay for performance philosophy and as reflected in the table below, the compensation structure and decisions for our CEO and other named executive officers emphasize variable compensation tied to performance. In addition, the Company's executive compensation program provides a high proportion of pay for our named executives in the form of long-term equity awards that are subject to cancellation upon occurrence of specified performance conditions which discourage excessive risk taking and further align our named executives' and our stockholders' interests in



**Table of Contents**

increasing stockholder value over the long-term. Our long-term equity awards are granted primarily in the form of Performance Shares that vest based on achievement of three-year Return on Realized Common Equity (RORCE) performance criteria. Percentages below are based on the total in the 2015 Compensation Decisions table above.

	Emphasis on Variable Over Fixed Pay		High Proportion of Pay in Equity	
	Fixed	Variable At-Risk	Cash	Equity(1)
CEO	(Base Salary)	(Annual Incentive and LTI)		
	15%	85%	31%	69%
Other NEO Average	19%	81%	28%	72%

(1) Includes Performance Shares that vest subject to RORCE performance criteria over a three-year performance period, RSRs granted as a portion of the annual incentive award for our CEO that vest over three years, and RSRs granted in July 2015 to named executives, other than our CEO, that vest over four years.

**Item 2 Advisory Resolution to Approve Executive Compensation**

The HRC believes that its 2015 compensation decisions were consistent with our compensation principles and will benefit stockholders for short-term and long-term Company performance, and that the compensation paid to the named executives for 2015 was reasonable and appropriate. Although your vote is advisory and not binding on the Company, the Board values our stockholders' views on executive compensation matters and will consider the outcome of this vote when making future executive compensation decisions for named executives.

**The Board recommends that you vote *FOR* the advisory resolution to approve the compensation paid to the Company's named executives.**

**Item 3 Ratify Appointment of Independent Registered Public Accounting Firm for 2016**

As a matter of good corporate governance, the Board is asking our stockholders to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for our fiscal year ending December 31, 2016.

**The Board recommends that you vote *FOR* the ratification of KPMG as our independent registered public accounting firm for 2016.**

**Items 4 and 5 Stockholder Proposals**

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

Stockholders are being asked to vote on the following stockholder proposals, if properly presented at the meeting and not previously withdrawn:

Adopt a policy to require an independent chairman; and

Provide a report on the Company's lobbying policies and practices.

**The Board recommends that you vote *AGAINST* each stockholder proposal for the reasons stated under **Stockholder Proposals** in this proxy statement.**

vi Wells Fargo & Company 2016 Proxy Statement

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<b><u>Corporate Governance</u></b>	<b>2</b>
<u>Our Corporate Governance Framework and Governance Documents</u>	2
<u>Our Investor Outreach Program</u>	2
<b><u>Item 1 Election of Directors</u></b>	<b>3</b>
<u>Board Qualifications and Experience</u>	3
<u>Director Nominees for Election</u>	3
<u>Director Election Standard and Nomination Process</u>	11
<u>Director Independence</u>	13
<u>Our Board Leadership Structure and Lead Director</u>	14
<u>Board Performance Evaluations and Succession Planning</u>	15
<u>Our Commitment to Board Diversity</u>	17
<u>Board and Committee Meetings: Annual Meeting Attendance</u>	17
<u>Committees of our Board</u>	18
<u>Our Board's Role in Risk Oversight</u>	22
<u>Management Succession Planning and Development</u>	24
<u>Communications with our Directors</u>	24
<u>Additional Information</u>	25
<u>HRC and GNC Use of Compensation Consultant</u>	25
<b><u>Director Compensation</u></b>	<b>26</b>
<b><u>Information About Related Persons</u></b>	<b>29</b>
<u>Related Person Transactions</u>	29
<u>Related Person Transaction Policy and Procedures</u>	30
<b><u>Ownership of Our Common Stock</u></b>	<b>32</b>
<b><u>Directors and Executive Officers</u></b>	<b>32</b>
<u>Stock Ownership Requirements and Other Policies</u>	32
<u>Director and Executive Officer Stock Ownership Table</u>	33
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	34
<b><u>Principal Stockholders</u></b>	<b>35</b>
<b><u>Executive Compensation</u></b>	<b>36</b>
<b><u>Item 2 Advisory Resolution to Approve Executive Compensation</u></b>	<b>36</b>
<b><u>Compensation Committee Report</u></b>	<b>37</b>
<b><u>Compensation Discussion and Analysis</u></b>	<b>37</b>
<b><u>Executive Compensation Tables</u></b>	<b>57</b>
<u>2015 Summary Compensation Table</u>	57
<u>2015 Grants of Plan-Based Awards</u>	59
<u>Outstanding Equity Awards at Fiscal Year-End 2015</u>	61
<u>2015 Option Exercises and Stock Vested</u>	63
<u>2015 Pension Benefits</u>	64
<u>2015 Nonqualified Deferred Compensation</u>	67
<u>Potential Post-Employment Payments</u>	71
<b><u>Compensation Governance and Risk Management</u></b>	<b>73</b>
<b><u>Audit Matters</u></b>	<b>75</b>
<b><u>Item 3 Ratify Appointment of Independent Registered Public Accounting Firm for 2016</u></b>	<b>75</b>
<u>KPMG Fees</u>	75
<u>Audit and Examination Committee Pre-Approval Policies and Procedures</u>	75
<u>Audit and Examination Committee Report</u>	76
<b><u>Stockholder Proposals</u></b>	<b>77</b>
<b><u>Item 4 Stockholder Proposal to Adopt a Policy to Require an Independent Chairman</u></b>	<b>77</b>
<b><u>Item 5 Stockholder Proposal to Provide a Report on the Company's Lobbying Policies and Practices</u></b>	<b>79</b>
<b><u>Voting and Other Meeting Information</u></b>	<b>81</b>

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

<u>Voting Information</u>	81
<u>Meeting Admission Information</u>	84
<u>Stockholder Information for Future Annual Meetings</u>	85
<u>Other Information</u>	85

Wells Fargo & Company 2016 Proxy Statement      vii

**Table of Contents**

# WELLS FARGO & COMPANY

## Proxy Statement

You are invited to attend Wells Fargo's 2016 annual meeting of stockholders to be held on Tuesday, April 26, 2016, and to vote on the items of business described in this proxy statement.

Please read this proxy statement carefully and consider the information it contains when deciding how to vote your shares at the annual meeting. When we use the term "proxy materials" in this proxy statement, we mean the notice of the 2016 annual meeting of stockholders, this proxy statement, our annual report to stockholders for the fiscal year ended December 31, 2015, and the proxy card or voting instruction form.

The proxy materials were first made available to stockholders beginning on or about March 16, 2016.

### Your vote is important.

Our Board is soliciting your proxy to vote your shares of our common stock at the annual meeting, or at any adjournment or postponement of the meeting. We encourage you to vote as soon as possible before the meeting, even if you plan to attend in person. Information about the annual meeting and voting your shares appears beginning on page 81 of this proxy statement.

## Voting Matters

The following table describes the items to be considered at the meeting and, for the reasons detailed in the proxy statement, how the Board recommends that you vote:

Items for Vote
----------------

	<b>Board Recommendation</b>	<b>Page Reference (for more detail)</b>
<b><u>Management proposals</u></b>		
1. Elect 15 directors	<b>FOR</b> all nominees	3
2. Advisory resolution to approve executive compensation (Say on Pay)	<b>FOR</b>	36
3. Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016	<b>FOR</b>	75
<b><u>Stockholder Proposals</u></b>		
4. Adopt a policy to require an independent chairman	<b>AGAINST</b>	77
5. Provide a report on the Company's lobbying policies and practices	<b>AGAINST</b>	79

If any other business properly comes before the meeting, the persons named as proxies for stockholders will vote on those matters in a manner they consider appropriate. See [Voting and Other Meeting Information](#) beginning on page 81 for more information.

**Table of Contents**

## **CORPORATE GOVERNANCE**

### **Our Corporate Governance Framework and Governance Documents**

Our Board is committed to sound and effective corporate governance principles and practices. Our Board has adopted Corporate Governance Guidelines to provide the framework for the governance of the Board and the Company. These Guidelines address, among other matters, the role of the Board, Board membership criteria, director retirement and resignation policies, our Director Independence Standards, information about the committees of the Board, and information about other policies and procedures of the Board, including the majority vote standard for directors, management succession planning, director compensation, the Board's leadership structure, and the responsibilities of the Lead Director. The Board reviews the Corporate Governance Guidelines annually.

Our Board also has adopted our Codes of Ethics, which state our policy and standards for ethical conduct by our team members, including executive officers, and directors. We expect all of our team members and directors to adhere to the highest possible standards of ethics and business conduct with other team members, customers, stockholders, and the communities we serve and to comply with all applicable laws, rules, and regulations that govern our businesses.

Information relating to corporate governance of the Company, including the following corporate governance documents, is available on our website at <https://www.wellsfargo.com/about/corporate/governance>:

The Board's Corporate Governance Guidelines, including its Director Independence Standards

Our Codes of Ethics applicable to team members as well as directors; our updated Code of Ethics and Business Conduct applicable to both team members and directors will be effective April 1, 2016 and continues to reflect our commitment to the highest standards of ethical behavior

Charters for each of the Board's seven standing committees, including the Audit and Examination Committee, the Governance and Nominating Committee, and the Human Resources Committee

Our Board Communication Policy, which describes how stockholders and other interested parties can communicate with the Board

Our By-Laws, which were amended and restated effective December 17, 2015 to implement proxy access and permit an eligible stockholder (or a group of up to 20 stockholders) who has owned 3% of the Company's stock for 3 years to nominate up to the greater of 2 directors and 20 percent of the Board, subject to the terms and conditions specified in the By-Laws. Our By-Laws also include provisions which allow stockholders to call special meetings and act by written consent.

## **Our Investor Outreach Program**

As part of our commitment to effective corporate governance practices, in 2010 we initiated our investor outreach program to help us better understand the views of our investors on key corporate governance topics. Through our investor outreach program, our Lead Director and management participate in meetings with many of our largest institutional stockholders to discuss and obtain feedback on corporate governance, executive compensation, and other related issues important to our stockholders. In 2015, the Company contacted many of our largest institutional investors and engaged with institutional investors representing approximately 25% of the Company's common stock. We also met with other organizations interested in our corporate governance practices and policies. We share the feedback received during our outreach process with the GNC and our Board and, in 2015, discussion topics with our institutional investors included proxy access, Board composition, director tenure, other current governance issues, and our executive compensation program. The Board's adoption of proxy access and the proxy access provision contained in our By-Laws were based, in part, on input received from our investors.

We value our dialogue with our investors and believe our annual outreach efforts, which are in addition to other communication channels available to our stockholders and other interested parties, help us to continue to evolve our corporate governance practices in a way that reflects the insights and perspectives of our many stakeholders.

2 Wells Fargo & Company 2016 Proxy Statement



**Table of Contents****Item 1 Election of Directors****Board Qualifications and Experience**

The Board has identified certain minimum qualifications for its directors, including having a demonstrated breadth and depth of management and/or leadership experience, preferably in a senior leadership role, such as chief executive officer, president or partner, in a large or recognized organization or governmental entity. The Board believes that this particular qualification provides our directors with substantial experience relevant to serving as a director of our Company, including in many of the areas highlighted in the accompanying chart which the Board views as important when evaluating director nominees. The Board believes that each of our nominees satisfies our director qualification standards and during the course of their business and professional careers as a chief executive officer or other senior leader has acquired extensive executive management experience in these and other areas. In addition, the GNC and the Board believe that each nominee brings to the Board his or her own unique background and range of expertise, knowledge, and experience, including as a result of his or her valued service on our Board and its committees, that provide the Board as a whole with an appropriate and diverse mix of qualifications, skills, and attributes necessary for the Board to fulfill its oversight responsibility to the Company's stockholders.

**Director Qualifications and Experience****Represented on Our Board**

financial management,  
 accounting or financial reporting,  
 financial services,  
 risk management,  
 strategic planning,  
 regulatory and/or legal,  
 information security (including cyber) and technology,  
 marketing/consumer,  
 human resources, including management succession planning,  
 business development,  
 community affairs,  
 corporate governance,  
 governmental relations or public policy,  
 social responsibility,  
 international, and  
 business operations.

Below we provide information about the Board's nominees, including their age and the month and year in which they first became a director of the Company, their business experience for at least the past five years, the names of publicly-held companies (other than the Company) where they currently serve as a director or served as a director during the past five years, and additional information about the specific experience, qualifications, skills, or attributes that led to the Board's conclusion that each nominee should serve as a director of the Company.

## Director Nominees for Election

The Board has set 15 directors as the number to be elected at the annual meeting and has nominated the individuals named below. All nominees are currently directors of Wells Fargo & Company and have been previously elected by our stockholders. Judith M. Runstad, a current director, is not standing for re-election and will retire when her term expires at the 2016 annual meeting. The Board has determined that each nominee for election as a director at the annual meeting is an independent director, except for John G. Stumpf, as discussed below under *Director Independence*.

Directors are elected to hold office until the next annual meeting and until their successors are elected and qualified. All nominees have told us that they are willing to serve as directors. If any nominee is no longer a candidate for director at the annual meeting, the proxy holders will vote for the rest of the nominees and may vote for a substitute nominee in their discretion. In addition, as described below under *Director Election Standard*, each of the nominees has tendered his or her resignation as a director in accordance with our Corporate Governance Guidelines to be effective only if he or she fails to receive the required vote for election to the Board and the Board accepts the resignation.

**The Board recommends you vote *FOR* each of the nominees below.**

**Table of Contents**

<p><b>JOHN D. BAKER II</b></p> <p><b>Age:</b> 67</p> <p><b>Director since:</b> January 2009</p> <p><b>Other Current Public Company Directorships:</b>  FRP Holdings, Inc.</p> <p><b>Committees:</b>  Audit and Examination Corporate Responsibility Credit</p>	<p><b>Business Experience</b></p> <p>Mr. Baker has served as Executive Chairman and a director of FRP Holdings, Inc. (formerly Patriot Transportation Holding, Inc. prior to the spin-off of its transportation business in early 2015), Jacksonville, Florida (real estate company) since October 2010. He served as President and Chief Executive Officer of Patriot from February 2008 until October 2010. He served as President from May 1989, and Chief Executive Officer from February 1997 of Florida Rock Industries, Inc., Jacksonville, Florida until November 2007. Mr. Baker also currently serves as Chairman of Panadero Aggregates Holdings, LLC, a construction aggregates company located in Jacksonville, Florida, and a senior advisor for Brinkmere Capital Partners, a private equity firm. He was formerly a director of Duke Energy Corporation, Progress Energy Inc., Texas Industries, Inc., and Patriot Transportation Holding, Inc.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As the CEO or chairman of two public companies during the past 19 years, including a company involved in real estate activities, Mr. Baker brings leadership and executive management experience to the Board.</p> <p>Mr. Baker has led or founded several public and private companies doing business in the Southeast, including as the lead investor and senior advisor for a private equity firm, and his business development skills and deep knowledge of the business climate in the Southeast provide unique insight into the operating environment of some of the Company's largest banking markets.</p> <p>Mr. Baker has extensive financial management expertise that he gained as a CEO or chairman and as a past member of the audit committees of two other public companies.</p> <p>Mr. Baker has a law degree from the University of Florida School of Law, and his experience as a lawyer and former member of the board of a large public utility company also contribute important risk management and regulatory oversight skills to the Board.</p>
<p><b>Business Experience</b></p>	<p><b>Business Experience</b></p>

<p><b>ELAINE L. CHAO</b></p>	<p>Ms. Chao served as the 24<sup>th</sup> U.S. Secretary of Labor from January 2001 until January 2009. From August 1996 to January 2001, January 2009 to August 2014 and since May 2015, Ms. Chao was and is a Distinguished Fellow at the Heritage Foundation, Washington, D.C. (research and educational organization). She was President and Chief Executive Officer of United Way of America from November 1992 until August 1996. Ms. Chao's previous government experience also includes serving as Director of the Peace Corps and Deputy Secretary of the U.S. Department of Transportation. She was formerly a director of Dole Food Company, Inc. and Protective Life Corporation.</p>
<p><b>Age:</b> 62</p>	
<p><b>Director since:</b></p>	
<p>July 2011</p>	<p><b>Principal Qualifications and Experience</b></p>
<p><b>Other Current Public Company Directorships:</b></p>	<p>As the first Asian Pacific American woman in U.S. history to be appointed to a President's cabinet and a leader of large high-profile organizations operating in complex regulatory and public policy environments, Ms. Chao has extensive leadership, executive management, and governmental experience.</p>
<p>Ingersoll-Rand plc</p>	<p>Ms. Chao's skills in building constructive working relationships with diverse stakeholders also provide useful insight for the Company in various social responsibility and community affairs areas as it strives to enhance its relationships in the communities where it does business.</p>
<p>News Corporation</p>	
<p>Vulcan Materials Company</p>	<p>Her experience as Secretary of Labor provides the Board with a valuable perspective on workforce issues, and her previous work at two large financial services companies contributes relevant industry experience to the Board.</p>
<p><b>Committees:</b></p>	<p>Having overseen corporate governance issues at the Department of Labor Employee Benefits Security Administration and as a current and former board member of a number of prominent public companies, including as past chair or a member of the nominating and corporate governance committees of two public companies, she also brings additional corporate governance experience to the Board.</p>
<p>Credit</p>	
<p>Finance</p>	<p>Ms. Chao has a Master of Business Administration from Harvard Business School.</p>

**Table of Contents**

<p><b>JOHN S. CHEN</b></p> <p><b>Age:</b> 60</p> <p><b>Director since:</b> September 2006</p> <p><b>Other Current Public Company Directorships:</b></p> <p>BlackBerry Limited</p> <p>The Walt Disney Company</p> <p><b>Committees:</b></p> <p>Human Resources</p>	<p><b>Business Experience</b></p> <p>Mr. Chen has served as Executive Chairman and Chief Executive Officer of BlackBerry Limited, Waterloo, Ontario, Canada (wireless telecommunications) since November 2013. Prior to joining BlackBerry, he served as Chairman and Chief Executive Officer of Sybase, Inc. from July 2010, when SAP AG acquired Sybase, until he retired in November 2012. He also served as Chairman, CEO, President, and as a director of Sybase from November 1998 until July 2010. Mr. Chen serves as a Special Advisor of Silver Lake Partners, a private investment firm. He was formerly a director of Sybase, Inc.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As the executive chairman and CEO of BlackBerry Limited and as a former CEO of Sybase, Mr. Chen has over 17 years of leadership and executive management experience. Mr. Chen also served as president of the Open Enterprise Computing Division of Siemens Nixdorf, and president and chief operating officer of Pyramid Technology Corporation.</p> <p>Mr. Chen's experience and perspective on information technology, information security, and software matters are particularly important to the Company, which uses numerous complex information technology applications and systems.</p> <p>Mr. Chen also brings to the Board finance and business strategy experience and, as a result of his work with several public sector organizations, an important focus on international relations and business and community affairs.</p> <p>His experience at BlackBerry and serving on the board of a large well-known entertainment company also provides valuable insight into the importance of developing and maintaining an internationally recognized brand.</p> <p>Mr. Chen holds a Master of Science from California Institute of Technology.</p>
---	--

<p><b>LLOYD H. DEAN</b></p>	<p><b>Business Experience</b></p> <p>Mr. Dean has served as President, Chief Executive Officer, and a director of Dignity Health, San Francisco, California (health care) since April 2000. He was formerly a director of Cytori</p>
-----------------------------	--

<p><b>Age:</b> 65</p> <p><b>Director since:</b></p> <p>June 2005</p> <p><b>Other Current Public Company Directorships:</b></p> <p>McDonald's Corporation Navigant Consulting, Inc.</p> <p><b>Committees:</b></p> <p>Corporate Responsibility</p> <p>Governance and Nominating</p> <p>Human Resources (Chair)</p> <p>Risk</p>	<p>Therapeutics, Inc. and Premier, Inc.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As the president and CEO of Dignity Health, a large multi-state healthcare organization that is the fifth largest hospital system in the nation, and as a former executive vice president and chief operating officer of Advocate Health Care and officer of The Upjohn Company, Mr. Dean brings over 24 years of leadership, executive management, and business strategy experience to the Board.</p> <p>Similar to the Company, Dignity Health is subject to significant regulatory oversight, which provides Mr. Dean with additional insight in analyzing and advising on complex regulatory issues affecting the Company.</p> <p>The Board also benefits from Mr. Dean's substantial finance, systems operations, service quality, human resources, and community affairs expertise, which he gained as a result of his responsibilities with Dignity Health.</p> <p>Mr. Dean's prior service as the non-executive chairman and a director of Cytori Therapeutics provides an additional corporate governance perspective to the Board.</p> <p>Mr. Dean holds a Master's Degree in Education from Western Michigan University and also is a graduate of Pennsylvania State University's Executive Management Program.</p>
--	---

**Table of Contents**

<p><b>ELIZABETH A. DUKE</b></p> <p><b>Age:</b> 63</p> <p><b>Director since:</b> January 2015</p> <p><b>Other Current Public Company Directorships:</b>  None</p> <p><b>Committees:</b>  Credit Finance Risk</p>	<p><b>Business Experience</b></p> <p>Ms. Duke served as a member of the Federal Reserve Board of Governors from August 2008 to August 2013, where she served as chair of the Federal Reserve’s Committee on Consumer and Community Affairs and as a member of its Committee on Bank Supervision and Regulation, Committee on Bank Affairs, and Committee on Board Affairs. From March 2014 to September 2015, she served as executive-in-residence at Old Dominion University (higher education), Norfolk, Virginia. Previously, she was chief operating officer of TowneBank from 2005 to 2008, and was an executive vice president at Wachovia Bank, N.A., (2004 to 2005) and at SouthTrust Bank (2001 to 2004) which was acquired by Wachovia in 2004. Ms. Duke also served as chief executive officer of Bank of Tidewater, which was acquired by SouthTrust, and chief financial officer of Bank of Virginia Beach.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As a former member of the Federal Reserve Board of Governors, Ms. Duke has broad experience and knowledge of the U.S. financial system, financial regulation, and economic and public policy matters.</p> <p>Ms. Duke’s service as a Federal Reserve Governor during a critical time for the U.S. economy and banking system provides her with experience identifying, assessing, and managing risk exposures of financial firms such as the Company, as well as insight and a unique understanding of risks and opportunities that contribute important risk management experience to the Board.</p> <p>She also brings extensive financial services and financial management experience to the Board as a result of various senior leadership roles leading banking operations in markets where the Company does business, including as chief operating officer of TowneBank, chief executive officer of Bank of Tidewater, and as a senior officer of SouthTrust Bank and Wachovia Bank, N.A., the last three of which banks along with Bank of Virginia Beach are now part of the Company.</p> <p>Ms. Duke has a Master of Business Administration from Old Dominion University.</p>
---	--

<p><b>SUSAN E. ENGEL</b></p>	<p><b>Business Experience</b></p> <p>Ms. Engel served as Chief Executive Officer of Portero, Inc., New York, New York (an online retailer of luxury pre-owned and vintage personal accessories) from July 2009 until June 2013 when the</p>
------------------------------	---

<p><b>Age:</b> 69</p>	<p>company was acquired. She presently provides services to Trewstar Corporate Board Services, a director search firm specializing in placement of women on corporate boards. She served as Chairwoman, CEO, and a director of Lenox Group Inc., Eden Prairie, Minnesota (a tabletop, collectibles, and giftware marketer, manufacturer, and wholesaler) from November 1996 until she retired in January 2007. She was formerly a director of SUPERVALU INC.</p>
<p><b>Director since:</b></p> <p>May 1998</p>	<p><b>Principal Qualifications and Experience</b></p>
<p><b>Other Current Public Company Directorships:</b></p> <p>None</p>	<p>Ms. Engel has extensive executive management, leadership, and sales and marketing experience, which she has acquired as the CEO of several public and private companies over the past 23 years, including as CEO of Portero, Inc. and Lenox Group.</p> <p>Her senior leadership roles in retail-based businesses provide business development, retail, marketing and online sales experience to the Board, which is important to our retail and internet banking businesses.</p> <p>Her experience serving as the president and chief executive officer of Champion Products, Inc., the athletic apparel division of Sara Lee Corporation for approximately three years and as a consultant with Booz Allen Hamilton, a large management consulting firm, for over 14 years also provide her with significant experience in business operations and strategic planning.</p>
<p><b>Committees:</b></p> <p>Credit</p> <p>Finance</p> <p>Human Resources</p>	<p>Ms. Engel has a Master of Business Administration from Harvard Business School.</p>



**Table of Contents**

<p><b>ENRIQUE HERNANDEZ, JR.</b></p> <p><b>Age:</b> 60</p> <p><b>Director since:</b> January 2003</p> <p><b>Other Current Public Company Directorships:</b></p> <p>Chevron Corporation</p> <p>McDonald's Corporation</p> <p>Nordstrom, Inc. (Chairman)</p> <p><b>Committees:</b></p> <p>Corporate Responsibility</p> <p>Finance (Chair)</p> <p>Risk (Chair)</p>	<p><b>Business Experience</b></p>
	<p>Mr. Hernandez has served as Chairman, President, Chief Executive Officer, and a director of Inter-Con Security Systems, Inc., Pasadena, California (security services) since 1986.</p>
	<p><b>Principal Qualifications and Experience</b></p>
	<p>Mr. Hernandez brings leadership and executive management experience to the Board as the chairman, president and CEO of Inter-Con Security Systems, Inc., a global security services provider, and as the non-executive chairman of the board of Nordstrom, Inc., a large publicly traded retail company.</p>
	<p>The Board benefits from the valuable corporate governance and board leadership experience and expertise that Mr. Hernandez has acquired, particularly in areas such as business strategy, risk assessment, and succession planning.</p>
	<p>Mr. Hernandez also has extensive experience in the banking industry, as well as financial management expertise as a former member of the boards and audit committees of two other large financial institutions (Great Western Financial Corporation from 1993 to 1997 and Washington Mutual, Inc. from 1997 to 2002). Mr. Hernandez has served as past chair of the audit committee of Nordstrom and serves as current chair of the audit committee of McDonald's, which have further enhanced his finance experience.</p>
	<p>Mr. Hernandez has a law degree from Harvard Law School and practiced as a litigation attorney for four years with a large law firm in California, which provides him with additional insight on risk management and litigation issues relevant to the Company's operations.</p>

<p><b>DONALD M. JAMES</b></p> <p>Age: 67</p> <p>Director since: January 2009</p> <p><b>Other Current Public Company Directorships:</b></p> <p>The Southern Company</p> <p><b>Committees:</b></p> <p>Finance</p> <p>Human Resources</p>	<p><b>Business Experience</b></p> <p>Mr. James served as Chairman and a director from 1997 until December 2015 and Chief Executive Officer from 1997 until July 2014 of Vulcan Materials Company, Birmingham, Alabama (construction materials). He was formerly a director of Vulcan Materials Company.</p>
	<p><b>Principal Qualifications and Experience</b></p> <p>Mr. James brings extensive leadership and executive management experience to the Board as the former chairman and CEO of Vulcan Materials Company where he also served in various senior management positions, including as president and chief operating officer.</p> <p>Before joining Vulcan, Mr. James practiced law as a partner in a large law firm in Alabama and was a member of the firm's Executive Committee, which also provides him with additional perspective in dealing with complex legal, regulatory, and risk matters affecting the Company.</p> <p>As a former board member of Wachovia, SouthTrust Corporation (which was acquired by Wachovia), and Protective Life Corporation, Mr. James has substantial knowledge and experience in the banking and financial services industry, and his service as chairman of the Governance Committee of The Southern Company, a large public utility company, also brings important corporate governance, regulatory oversight, succession planning, and business strategy experience to the Board.</p> <p>Mr. James holds a Master of Business Administration from University of Alabama and a law degree from University of Virginia.</p>

**Table of Contents**

**CYNTHIA H. MILLIGAN**

**Age:** 69

**Director since:**

July 1992

**Other Current Public Company Directorships:**

Calvert Funds (20 Calvert-sponsored mutual fund boards)

Kellogg Company

Raven Industries, Inc.

**Committees:**

Corporate Responsibility

Credit (Chair)

Governance and Nominating

Risk

**Business Experience**

Ms. Milligan served as Dean of the College of Business Administration at the University of Nebraska-Lincoln, Lincoln, Nebraska (higher education) from June 1998 to May 2009, when she was named Dean Emeritus of the College of Business Administration.

**Principal Qualifications and Experience**

Ms. Milligan has extensive experience in the financial services industry, including as a bank regulator, consultant, and lawyer, which provides valuable insight to the Board on banking, regulatory, and risk assessment and management issues.

Ms. Milligan served as the Director of Banking and Finance for the State of Nebraska from 1987 until 1991, responsible for supervising several hundred banks and other financial institutions, and she also served as a Director, Omaha Branch, of the Kansas City Federal Reserve for approximately six years.

In addition, she was president of her own consulting firm for financial institutions for approximately seven years and acquired significant banking and related financial management expertise in this role, as well as during her service as a bank regulator and as Dean of the College of Business Administration for the University of Nebraska-Lincoln.

Ms. Milligan serves as a trustee of the W.K. Kellogg Foundation, one of the largest philanthropic foundations in the U.S., which provides her with insight on social responsibility matters.

She has a law degree from George Washington University National Law Center and was a senior partner at a law firm in Nebraska, as well as an Adjunct Professor of Law in taxation at Georgetown University Law Center and in banking and taxation at the University of Nebraska College of Law.

<p><b>FEDERICO F. PEÑA</b></p> <p><b>Age:</b> 69</p> <p><b>Director since:</b> November 2011</p> <p><b>Other Current Public Company Directorships:</b>  Sonic Corp.</p> <p><b>Committees:</b>  Audit and Examination Corporate Responsibility (Chair) Governance and Nominating Risk</p>	<p><b>Business Experience</b></p> <p>Mr. Peña has served as a Senior Advisor of Vestar Capital Partners, Denver, Colorado (private equity firm) since January 2009 and previously served as a Managing Director of Vestar from January 2000 to January 2009. He served as the U.S. Secretary of Energy from March 1997 until June 1998 and as the U.S. Secretary of Transportation from January 1993 until February 1997. Since July 2014, he also has served as a Senior Advisor to the Colorado Impact Fund, a venture capital fund dedicated to supporting local companies.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As the former U.S. Secretary of Energy and U.S. Secretary of Transportation, as well as Mayor of the City and County of Denver, Colorado for eight years and member of the Colorado House of Representatives for four years, Mr. Peña brings substantial leadership, executive management, regulatory, public policy and community affairs expertise to the Board, which provide invaluable insight as the Company operates in the rapidly changing regulatory, political, and social environment for financial services companies.</p> <p>Mr. Peña's service with Vestar, including his work analyzing complex financial transactions and advising senior management teams, as well as his experience founding and leading his own investment management firm, contribute important financial management, investment, business strategy, and business development skills to the Board, which are useful in its oversight of the Company's capital markets and investment advisory businesses.</p> <p>He holds a law degree from the University of Texas, which enhances his understanding of legal and regulatory issues affecting the Company.</p>
--	--

**Table of Contents**

<p><b>JAMES H. QUIGLEY</b></p> <p><b>Age:</b> 64</p> <p><b>Director since:</b></p> <p>October 2013</p> <p><b>Other Current Public Company Directorships:</b></p> <p>Hess Corporation</p> <p>Merrimack Pharmaceuticals, Inc.</p> <p><b>Committees:</b></p> <p>Audit and Examination (Chair)</p> <p>Credit</p> <p>Risk</p>	<p><b>Business Experience</b></p> <p>Mr. Quigley served as senior partner of Deloitte LLP, New York, New York (audit, financial advisory, risk management, tax, and consulting) from June 2011 until his retirement in June 2012, when he was named CEO Emeritus. Prior to his retirement, he served as chief executive officer of Deloitte Touche Tohmatsu Limited (DTTL, the Deloitte global network) from June 2007 to June 2011, and as chief executive officer of Deloitte LLP, the U.S. member firm of DTTL, from 2003 until 2007.</p> <p><b>Principal Qualifications and Experience</b></p> <p>Mr. Quigley brings extensive leadership, accounting and financial reporting, auditing, and risk management experience to the Board. He served Deloitte for over 35 years in a wide range of leadership positions, including as CEO, and provided accounting, financial advisory, and consulting services to many of Deloitte’s leading clients in a range of industries.</p> <p>Mr. Quigley’s broad management experience running a prominent global firm, as well as his experience advising diverse multinational companies operating in complex environments, provides the Board with key perspective on leadership, business operations, strategic planning, risk, and corporate governance matters.</p> <p>His current service as trustee of the International Financial Reporting Standards Foundation and a member of the Board of Trustees of The German Marshall Fund of the United States also provides valuable insight on international business affairs.</p> <p>He previously was a co-chairman of the Transatlantic Business Dialogue and a director of the Center for Audit Quality, a trustee of the Financial Accounting Foundation, a member of the U.S. Securities and Exchange Commission Advisory Committee on Improvements to Financial Reporting, and a member of numerous committees of the American Institute of Certified Public Accountants.</p> <p>He earned a Bachelor of Science degree and honorary Doctorate of Business from Utah State University.</p>
--	--

	<p><b>Business Experience</b></p>
--	-----------------------------------

<p><b>STEPHEN W. SANGER</b></p>	<p>Mr. Sanger served as Chairman of General Mills, Inc., Minneapolis, Minnesota (packaged food producer and distributor) from May 1995, and as a director since 1992, until he retired in May 2008. He also served as Chief Executive Officer of General Mills from May 1995 to September 2007. Mr. Sanger joined General Mills in 1974 and held various management positions at General Mills before becoming chairman and CEO in 1995. He was formerly a director of Target Corporation.</p>
<p><b>Age:</b> 69</p>	
<p><b>Director since:</b></p> <p>July 2003</p>	<p><b>Principal Qualifications and Experience</b></p> <p>Mr. Sanger brings leadership, executive management, and marketing and consumer experience to the Board, as well as valuable experience in corporate strategy and mergers and acquisitions.</p> <p>Mr. Sanger led General Mills through the complex acquisition and integration of Pillsbury, and his extensive experience gained from leading a company responsible for developing and marketing some of the world's best known consumer brands is beneficial to the Company and the Board.</p> <p>He has served on the audit, compensation and governance committees of several large public companies, including currently as a member of the audit committee and chair of the governance committee of Pfizer and previously as a member of the compensation and governance committees of Target, which enhance his human resources, management succession planning, and corporate governance skills.</p> <p>Mr. Sanger has served as our Board's Lead Director since 2012.</p> <p>Mr. Sanger holds a Master of Business Administration from the University of Michigan.</p>
<p><b>Other Current Public Company Directorships:</b></p> <p>Pfizer Inc.</p>	
<p><b>Committees:</b></p> <p>Governance and Nominating (Chair)</p> <p>Human Resources</p> <p>Risk</p>	
<p><b>Independent Lead Director</b></p>	

**Table of Contents**

**JOHN G. STUMPF**

**Age:** 62

**Director since:**

June 2006

**Other Current Public Company Directorships:**

Chevron Corporation

Target Corporation

**Business Experience**

Mr. Stumpf has served as our Chairman since January 2010 and Chief Executive Officer since June 2007. He also served as our President from August 2005 to November 2015 and as our Chief Operating Officer from August 2005 to June 2007.

**Principal Qualifications and Experience**

Mr. Stumpf has been employed with the Company for over 34 years in a variety of management and senior management positions and he brings to the Board tremendous experience and knowledge regarding the financial services industry and the Company's businesses, as well as a complete understanding of the Company's vision and strategy.

Mr. Stumpf has extensive leadership and risk management experience, and his service on the board of directors for The Clearing House and the Financial Services Roundtable and on the Financial Advisory Council for the Federal Reserve Board provides additional insight to the Board on key issues facing the Company and the financial services industry.

Following the former Norwest's merger with the former Wells Fargo in 1998, Mr. Stumpf served as head of the Company's southwestern and western banking groups, led the integration of the Company's acquisition of First Security Corporation, and served as Group EVP of Community Banking. As CEO, he led the acquisition and integration of Wachovia, the largest banking merger and integration in U.S. history.

He has a Master of Business Administration from the University of Minnesota.

**SUSAN G. SWENSON**

**Age:** 67

**Business Experience**

Ms. Swenson has served as a director of Novatel Wireless, Inc. since June 2012 and as chair of Novatel's board of directors since April 2014. On October 27, 2015, she also was appointed as Chief Executive Officer of Novatel immediately following the termination of its former CEO on that date. Previously, she served as President and Chief Executive Officer of Sage Software-North America, the North American operations of The Sage Group PLC located in the United Kingdom (business management software and services supplier) from March 2008 until April 2011. Ms. Swenson also held positions as the Chief Operating Officer of Atrinsic, Inc. (formerly known as New Motion, Inc.) from August 2007 to March 2008 and Amp'd Mobile, Inc. from October 2006 to July 2007. In light of her recent appointment as CEO of Novatel, Ms. Swenson has informed the Company that she is

**Director since:**

November 1998

evaluating a reduction in the number of other public company boards on which she serves.

\* Listed on the London Stock Exchange, but not subject to SEC public company reporting rules

**Other Current Public Company Directorships:**

Harmonic Inc.

Novatel Wireless, Inc.

Spirent Communications plc\*

**Principal Qualifications and Experience**

Ms. Swenson brings extensive leadership, executive management, and technology experience to the Board. Ms. Swenson has over 31 years experience in the telecommunications industry, including as the CEO or COO of several public and private companies, and as chair of the board of the First Responder Network Authority, an independent U.S. governmental entity created to establish a nationwide, public safety broadband network.

Ms. Swenson's experience and management responsibilities during her business career have included information technology, engineering, software research and development, marketing and sales, business operations, and customer care and loyalty, each of which is important to the Company, particularly in its retail, internet, and mobile banking businesses.

She has served on several public and private boards, including as chair of the audit committee for Palm, Inc. from 1999 to 2004, and has extensive financial management expertise.

**Committees:**

Audit and Examination

Governance and Nominating



**Table of Contents**

<p><b>SUZANNE M. VAUTRINOT</b></p> <p><b>Age:</b> 56</p> <p><b>Director since:</b> February 2015</p> <p><b>Other Current Public Company Directorships:</b></p> <p>Ecolab Inc.</p> <p>Symantec Corporation</p> <p><b>Committees:</b></p> <p>Audit and Examination</p> <p>Credit</p>	<p><b>Business Experience</b></p> <p>Ms. Vautrinot has served as President of Kilovolt Consulting Inc., San Antonio, Texas (a cyber security strategy and technology consulting firm) since October 2013. Ms. Vautrinot retired from the United States Air Force in October 2013 after 31 years of service. During her distinguished career with the United States Air Force, she served in a number of leadership positions including as Major General and Commander, 24<sup>th</sup> Air Force, Air Forces Cyber and Air Force Network Operations from April 2011 to October 2013, Special Assistant to the Vice Chief of Staff of the United States Air Force in Washington, D.C. from December 2010 to April 2011, Director of Plans and Policy, U.S. Cyber Command and Deputy Commander, Network Warfare, U.S. Strategic Command from June 2008 to December 2010, and Commander, Air Force Recruiting Service from July 2006 to June 2008. She has been awarded numerous medals and commendations, including the Defense Superior Service Medal and Distinguished Service Medal.</p> <p><b>Principal Qualifications and Experience</b></p> <p>As a result of more than 30 years of service in various leadership and command roles in the United States Air Force, Ms. Vautrinot brings extensive space and cyber technology and operations expertise to our Board at a time when protecting financial institutions and the financial system from cyber threats is a top priority.</p> <p>In addition to her vast cyber expertise, Ms. Vautrinot has led large, complex, and global organizations which brings operational, strategic, and innovative technology skills to the Board. She retired as a Major General and Commander, 24<sup>th</sup> Air Force, where she oversaw a multi-billion dollar cyber enterprise responsible for operating, extending, maintaining, and defending the Air Force portion of the Department of Defense global network.</p> <p>As Commander, 24<sup>th</sup> Air Force, she led a workforce unit of approximately 14,000 military, civilian and contractor personnel, which along with her other leadership roles and assignments in the United States Air Force, provides her with significant planning and policy, strategic security, and workforce development expertise.</p> <p>She has a Bachelor of Science from the United States Air Force Academy, a Master of Science in systems management from the University of Southern California, and was a National Security Fellow at the John F. Kennedy School of Government at Harvard University.</p>
--	--

**Director Election Standard and Nomination Process**

## Director Election Standard

Our By-Laws provide that directors will be elected using a majority vote standard in an uncontested director election (i.e., an election where as of the record date the only nominees are those nominated by the Board, such as at this meeting). Under this standard, a nominee for director will be elected to the Board if the votes cast for the nominee exceed the votes cast against the nominee. However, directors will be elected by a plurality of the votes cast in a contested election.

Under Delaware law, directors continue in office until their successors are elected and qualified or until their earlier resignation or removal. Our Corporate Governance Guidelines provide that the Board will nominate for election and appoint to fill Board vacancies only those candidates who have tendered or agreed to tender an advance, irrevocable resignation that would become effective upon their failure to receive the required vote for election and Board acceptance of the tendered resignation. Each director nominee named in this proxy statement has tendered an irrevocable resignation as a director in accordance with our Corporate Governance Guidelines, which resignation will become effective if he or she fails to receive the required vote for election at the annual meeting and the Board accepts his or her resignation.

Our Corporate Governance Guidelines also provide that the GNC will consider the tendered resignation of a director who fails to receive the required number of votes for election, as well as any other offer to resign that is conditioned upon Board acceptance, and recommend to the Board whether or not to accept such resignation. The GNC, in deciding what action to recommend, and the Board, in deciding what action to take, may consider any factors they deem relevant. The director whose resignation is under consideration will abstain from participating in any decision of the GNC or the Board regarding such resignation. If the Board does not accept the resignation, the director will continue to serve until his or her successor is elected and qualified. The Board will publicly disclose its decision on the resignation within 90 days after certification of the voting results.

## **Table of Contents**

### **Director Nomination Process**

The GNC is responsible for leading the director nomination process, which includes identifying, evaluating, and recommending for nomination candidates for election as new directors and incumbent directors. The goal of the GNC's nominating process is to assist the Board in attracting and retaining competent individuals with the requisite leadership, executive management, financial, industry, and other expertise who will act as directors in the best interests of the Company and its stockholders. The GNC regularly reviews the composition of the Board in light of its understanding of the backgrounds, industry, professional experience, personal qualities and attributes, and various geographic and demographic communities represented by current members. As described below, the GNC also oversees the Board's performance evaluation process.

The GNC identifies potential candidates for first-time nomination as a director through various sources, including recommendations it receives from our current and former Board members and executive officers as well as from our stockholders and contacts in the communities we serve. The GNC also has the authority to engage a third-party search firm to identify and provide information on potential candidates.

When the GNC has identified a potential new director nominee, it obtains publicly available information on the background of the potential nominee to make an initial assessment of the candidate in light of the following factors:

Whether the individual meets the Board-approved minimum qualifications for director nominees described below;

Whether there are any apparent conflicts of interest in the individual's serving on our Board; and

Whether the individual would be considered independent under our Director Independence Standards, which are described below under *Director Independence*.

The Board requires that all nominees for service as a director have the following minimum qualifications:

A demonstrated breadth and depth of management and/or leadership experience, preferably in a senior leadership role (e.g., chief executive officer, managing partner, president) in a large or recognized organization or governmental entity;

Financial literacy or other professional or business experience relevant to an understanding of our businesses; and

A demonstrated ability to think and act independently, as well as the ability to work constructively in a collegial environment.

Candidates also must be individuals of the highest character and integrity. The GNC determines, in its sole discretion after considering all factors it considers appropriate, whether a potential nominee meets these minimum qualifications and also considers the composition of the entire Board taking into account the particular qualifications, skills, experience, and attributes that the Board believes are important to the Company such as those described under *Board Qualifications and Experience* above. If a candidate passes this initial review, the GNC arranges an introductory meeting with the candidate and our Chairman and CEO, and the GNC Chair and/or other directors, to determine the candidate's interest in serving on our Board. If the candidate is interested in serving on our Board, members of the GNC, together with members of the Board, our CEO, and, if appropriate, other key executives of the Company, then conduct an interview with the candidate. If the Board and the

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

candidate are both still interested in proceeding, the candidate provides us additional information for use in determining whether the candidate satisfies the applicable requirements of our Corporate Governance Guidelines, Code of Ethics applicable to directors, and any other rules, regulations, or policies applicable to members of the Board and its committees and for making any required disclosures in our proxy statement. Assuming a satisfactory conclusion to the process outlined above, the GNC then presents the candidate's name for approval by the Board or for nomination for approval by the stockholders at the next stockholders meeting, as applicable.

The GNC will consider an individual recommended by one of our stockholders for nomination as a new director. In order for the GNC to consider a stockholder-recommended nominee for election as a director, the stockholder must submit the name of the proposed nominee, in writing, to our Corporate Secretary at: Wells Fargo & Company, MAC# D1053-300, 301 South College Street, 30<sup>th</sup> Floor, Charlotte, North Carolina 28202. All such submissions must include the following information:

The stockholder's name and address and proof of the number of shares of our common stock he or she beneficially owns;

The name of the proposed nominee and the number of shares of our common stock he or she beneficially owns;

**Table of Contents**

Sufficient information about the nominee's experience and qualifications for the GNC to make a determination whether the individual would meet the minimum qualifications for directors; and

Such individual's written consent to serve as a director of the Company, if elected.

Our Corporate Secretary will present all stockholder-recommended nominees to the GNC for its consideration. The GNC has the right to request, and the stockholder will be required to provide, any additional information with respect to the stockholder-recommended nominee as the GNC may deem appropriate or desirable to evaluate the proposed nominee in accordance with the nomination process described above.

**Director Independence**

Our Corporate Governance Guidelines provide that a significant majority of the directors on the Board, and all members of the AEC, GNC, HRC, and Risk Committee must be independent under applicable independence standards. Each year the Board affirmatively determines the independence of each director and each nominee for election as a director. Under NYSE rules, in order for a director to be considered independent, the Board must determine that the director has no material relationship with the Company (either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Company). To assist the Board in making its independence determinations, the Board adopted the Director Independence Standards appended to our Corporate Governance Guidelines. These Director Independence Standards consist of the NYSE's bright line standards of independence as well as additional standards, known as categorical standards of independence, adopted by the Board. The Director Independence Standards are available on our website at:

<https://www.wellsfargo.com/about/corporate/governance>.

Based on the Director Independence Standards, the Board considered information in early 2016 regarding banking and financial services, commercial, charitable, familial, and other relationships between each director, his or her respective immediate family members, and/or certain entities affiliated with such directors and immediate family members, on the one hand, and the Company, on the other, to determine the director's independence. After reviewing the information presented to it and considering the recommendation of the GNC, the Board determined that, except for John G. Stumpf, who is a Wells Fargo employee, all current directors and director nominees (John D. Baker II, Elaine L. Chao, John S. Chen, Lloyd H. Dean, Elizabeth A. Duke, Susan E. Engel, Enrique Hernandez, Jr., Donald M. James, Cynthia H. Milligan, Federico F. Peña, James H. Quigley, Judith M. Runstad, Stephen W. Sanger, Susan G. Swenson, and Suzanne M. Vautrinot) are independent under the Director Independence Standards, including the NYSE's bright line standards of independence. Judith M. Runstad, a current director, will not stand for re-election and will retire from our Board at the 2016 annual meeting. The Board determined, therefore, that 14 of the Board's 15 director nominees are independent.

In connection with making its independence determinations, the Board considered the following relationships, as well as the relationships with certain directors described under Related Person Transactions, under the Director Independence Standards and determined that all of these relationships satisfied the NYSE's bright line standards of independence and were immaterial under the Board's categorical standards of independence:

**Banking and  
Financial  
Services  
Relationships**

The Company's banking and other subsidiaries had ordinary course banking and financial services relationships in 2015 with all of our directors, some of their immediate family members, and/or certain entities affiliated with such directors and their immediate family members, all of which were on substantially the same terms as those available at the time for comparable transactions with persons not affiliated with the Company and complied with applicable banking laws.

**Business  
Relationships**

The Company and its subsidiaries purchase products or services in the ordinary course of business from wireless telecommunications carriers, including products and services provided to those carriers by BlackBerry Limited, where John S. Chen is executive chairman and chief executive officer. The aggregate amount of payments made by the Company during 2015 to these carriers and to BlackBerry for the use of BlackBerry devices did not exceed 1% of BlackBerry's or the Company's 2015 consolidated gross revenues. James H. Quigley is a retired partner of Deloitte, which provides advisory services in the ordinary course of business to the Company and its subsidiaries. Mr. Quigley retired as a partner of Deloitte in 2012, and the Company's payments in 2015 to Deloitte were less than 1% of that firm's and the Company's 2015 consolidated gross revenues.

**Charitable  
Relationships**

The Company or its charitable foundation made charitable contributions during 2015 to a tax-exempt organization where Lloyd H. Dean is employed as an executive officer and to a tax-exempt organization where John D. Baker II serves as chairman of the board of trustees. In each case, the contributions were less than \$100,000.

**Table of Contents****Other Relationships**

Elizabeth A. Duke has outstanding pension and supplemental retirement plan balances with an aggregate actuarial present value of approximately \$155,000 earned from her prior employment with SouthTrust Corporation and its successor, Wachovia Corporation, which employment ended in 2005. No additional service-based contributions or accruals will be made to either plan balance. Payment of the plan balances is not conditioned on any future service or performance by Ms. Duke and will be made in accordance with the applicable plan documents. The Company assumed these pre-existing obligations under the applicable plans following the Wachovia merger at the end of 2008.

**Our Board Leadership Structure and Lead Director**

The Board does not have a fixed policy regarding the separation of the offices of Chairman and Chief Executive Officer and believes that it should maintain the flexibility to select the Chairman and its Board leadership structure, from time to time, based on the criteria that it deems to be in the best interests of the Company and its stockholders. At this time, the offices of the Chairman of the Board and the Chief Executive Officer are combined, with Mr. Stumpf serving as Chairman and CEO. The Board believes that combining the Chairman and CEO positions is the right corporate governance structure for the Company at this time because it most effectively utilizes Mr. Stumpf's extensive experience and knowledge regarding the Company and provides for the most efficient leadership of our Board and our Company. Mr. Stumpf, with over 34 years of experience at Wells Fargo, has the knowledge, expertise, and experience to understand and clearly articulate to the Board the opportunities and risks facing the Company, as well as the leadership and management skills to promote and execute the Company's vision, values, and strategy. The Board believes that Mr. Stumpf, rather than an outside director, is in the best position, as Chairman and CEO, to lead Board discussions regarding the Company's business and strategy and to help the Board respond quickly and effectively to the many business, market, and regulatory reform issues affecting the Company and the rapidly changing financial services industry. Mr. Stumpf's service as Chairman also provides clarity of leadership for the Company and more effectively allows the Company to present its vision, values, and strategy in a unified voice.

Although the Board believes that it is more effective to have one person serve as the Company's Chairman and CEO at this time, it also recognizes the importance of strong independent leadership on the Board. Accordingly, in addition to maintaining a significant majority of independent directors (14 of the 15 director nominees are independent under the Director Independence Standards) and independent Board committees, since 2009 the Board has appointed a Lead Director. Our Corporate Governance Guidelines provide that each year a majority of the independent directors will appoint an independent Lead Director, and in November 2015, the independent directors appointed Stephen W. Sanger to continue to serve as Lead Director in 2016.

The Board believes that its Lead Director structure, including the duties and responsibilities described in the chart below, provides the same independent leadership, oversight, and benefits for the Company and the Board that would be provided by an independent Chairman. Mr. Sanger is actively engaged as Lead Director and works closely with the Chairman and CEO on Board matters. Mr. Sanger frequently interacts with Mr. Stumpf and other members of management to provide his perspective on important issues facing the Company, as well as discusses Board agenda items and priorities. In addition to the GNC, which he chairs, and the HRC and the Risk Committee, where he currently serves as a member, Mr. Sanger typically attends the meetings of the Board's other committees and also frequently communicates with the chairs of those committees and with the other independent directors both inside and outside of the Board's normal meeting schedule to discuss Board and Company issues as they arise. Mr. Sanger also serves as Lead Director of Wells Fargo Bank, N.A., the Company's principal banking subsidiary.

Although led by the Chair of the HRC, the Lead Director also has a role in the performance evaluation of the Chairman and CEO, which is a multi-step process involving, among other things, individual director feedback and Board discussions regarding Mr. Stumpf's performance and discussions with Mr. Stumpf regarding his assessment of his own performance. Mr. Sanger's participation in the Chairman and CEO performance evaluation, as well as his participation as a member of the HRC in the HRC's management succession planning process, helps him evaluate whether the combined Chairman and CEO position continues to be the right governance structure for the Board and the Company, including in

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

the event of a CEO transition. In addition, Mr. Sanger's participation in the Company's investor outreach program and leadership role in facilitating the Board's review and consideration of stockholder proposals provide him with valuable insight into the views of our investors regarding the Company's corporate governance practices, including its Lead Director structure. The Board believes that these and the other activities of the Lead Director serve to enhance the independent leadership of the Board so that the Board is in position to consider the continued appropriateness of having the same person serve as Chairman and CEO.

14 Wells Fargo & Company 2016 Proxy Statement



## **Table of Contents**

The duties and responsibilities of the Lead Director are described in the Corporate Governance Guidelines and include the following:

Following consultation with the Chairman and CEO and other directors, approving Board meeting agendas and schedules, assuring that there is sufficient time for discussion of all agenda items;

Calling special meetings or executive sessions of the Board and calling and presiding at executive sessions or meetings of non-management or independent directors and, as appropriate, providing feedback to the Chairman and CEO and otherwise serving as a liaison between the independent directors and the Chairman;

Working with committee chairs to ensure coordinated coverage of Board responsibilities;

Facilitating communication between the Board and senior management, including advising the Chairman and CEO of the Board's informational needs and approving the types and forms of information sent to the Board;

Serving as an additional point of contact for Board members and stockholders and being available for consultation and direct communication with major stockholders;

Facilitating the Board's review and consideration of stockholder proposals properly submitted for inclusion in the Company's annual proxy statement;

Acting as a sounding board and advisor to the Chairman and CEO;

Contributing to the performance review of the Chairman and CEO; and

Staying informed about the strategy and performance of the Company and reinforcing that expectation for all Board members.

## **Board Performance Evaluations and Succession Planning**

Our Board has a robust process for evaluating the performance of the Board and its committees. As part of the Board's annual self-evaluation process, the directors consider various topics relating to Board composition, structure, effectiveness, and responsibilities, as well as the overall mix of director skills, experience, and backgrounds. In 2014, the Board enhanced its self-evaluation process by encouraging directors also to provide feedback on the individual contributions of directors to the work of the Board and its committees. Mr. Sanger, as GNC Chair and Lead Director, contacted each of our directors individually during 2015 to discuss and obtain his or her assessment of the Board's performance. He presented those assessments to the Board for discussion in executive session, and any necessary follow-up items were reviewed by Mr. Sanger with the GNC, the Board, and management, as appropriate. Each committee annually conducts a separate self-evaluation process led by the committee chair, as provided in its charter. The Board's and each committee's performance evaluation includes a review of the Corporate Governance Guidelines and its committee charter, respectively, to consider any proposed changes.

### **Our Board Performance Evaluation Process**

The Board's annual performance evaluation is a key component of its director nomination process and succession planning. In its succession planning, the GNC and the Board consider the results of the Board's self-evaluation, as well as other appropriate information, including the overall mix of tenure and experience of the Board, upcoming retirements of individual directors, the types of skills and experience desirable for future Board members, and the needs of the Board and its committees at the time. The Board values the contributions of directors who have developed extensive experience and insight into the Company during the course of their service on the Board and, therefore, the Board does not believe arbitrary term limits on directors' service are appropriate. At the same time, the Board recognizes the importance of Board refreshment to help ensure an appropriate balance of experience and perspectives on the Board.

## **Table of Contents**

The Board's succession planning in 2015 and the beginning of 2016 focused primarily on the composition of the Board and its committees, the upcoming retirements of directors under the director retirement policy, succession plans for committee chairs, our commitment to Board diversity, and recruiting strategies for adding new directors to complement the existing skills and experience of the Board in areas identified in the Board's performance evaluation process. In order to facilitate the Board's recruitment of new directors with appropriate skills, experience, and backgrounds and provide for an orderly transition of leadership on the Board and its committees, in November 2014 the Board increased the retirement age for directors to 72 with the understanding that directors may not necessarily serve until their retirement age.

Recent changes in Board composition and committee Chair roles include:

After 17 years of dedicated service on our Board, Judith M. Runstad has decided not to stand for re-election and will retire from our Board at the 2016 annual meeting

Federico F. Peña succeeded Ms. Runstad as Chair of the Corporate Responsibility Committee and a member of the Risk Committee on March 1, 2016

Elizabeth A. Duke, an independent director with financial services and risk management experience, joined our Board in January 2015 and serves on our Credit Committee, Finance Committee, and Risk Committee

Suzanne M. Vautrinot, an independent director with cyber security experience, joined our Board in February 2015 and serves on our Audit and Examination Committee and Credit Committee

The addition to the Board of Ms. Duke and Vautrinot enhanced the overall mix of skills and experience of the Board in areas including financial services, risk management, and cyber security, and reflects the Board's efforts to bring fresh perspectives to the Board. The chart below illustrates the varying tenure of the Board's independent director nominees.

As a result of Ms. Runstad's retirement, the size of our Board will decrease to 15 members at our 2016 annual meeting, which is consistent with the size range (14 to 19 directors) of the Board at each annual meeting over the last 10 years as reflected in the chart below. The Board believes its current size is appropriate to enable the Board to fulfill its oversight responsibilities, including through its committees by providing the committees with an appropriate number of directors who have the right mix of skills and experience. Although the Board expects that its size may fluctuate based on various factors, including retirements of additional directors in the coming years, the availability of director candidates with desirable experience, and the needs of the Board, the Board also expects that, over time, its size is likely to trend toward the lower end of its historical range.

## **Table of Contents**

### **Our Commitment to Board Diversity**

Although the GNC does not have a separate policy specifically governing diversity, as described in the Corporate Governance Guidelines and its charter the GNC will consider, in identifying first-time candidates or nominees for director, and in evaluating individuals recommended by stockholders, the current composition of the Board in light of the diverse communities and geographies we serve and the interplay of the candidate's or nominee's experience, education, skills, background, gender, race, ethnicity, and other qualities and attributes with those of the other Board members. The GNC also incorporates this broad view of diversity into its director nomination process by taking into account all of the factors above when evaluating and recommending director nominees to serve on the Board so that the Board's composition as a whole appropriately reflects the current and anticipated needs of the Board and the Company.

In implementing its practice of considering diversity, the GNC may place more emphasis on attracting or retaining director nominees with certain specific skills or experience, such as industry, regulatory, operational, or financial expertise, depending on the circumstances and the composition of the Board at the time. Gender, race, and ethnic diversity also have been, and will continue to be, a priority for the GNC and the Board in its director nomination process because the GNC and the Board believe that it is essential that the composition of the Board appropriately reflects the diversity of the Company's team members and the customers and communities they serve.

The GNC believes that it has been successful in its past efforts to increase gender, race, and ethnic diversity on the Board, as reflected in the charts below. The GNC and the Board believe that the 15 nominees bring to the Board a variety of different backgrounds, skills, professional and industry experience, and other personal qualities, attributes, and perspectives that contribute to the overall diversity of the Board. The GNC and the Board will continue to monitor the effectiveness of their practice of considering diversity through assessing the results of any new director search efforts, such as those involving Mses. Duke and Vautrinot, and through the GNC's and Board's self-evaluation processes in which directors discuss and evaluate the composition and functioning of the Board and its committees.

### **Board and Committee Meetings; Annual Meeting Attendance**

Directors are expected to attend all Board meetings and meetings of committees on which they serve. Directors also are expected to attend each annual stockholders' meeting. All 16 of our current directors attended the Company's 2015 annual stockholders' meeting.

The Board held 9 meetings during 2015. Attendance by the Board's current directors at meetings of the Board and its committees averaged 96.75% during 2015. Each current director attended at least 75% of the total number of 2015 meetings of the Board and committees on which he or she served. The Board met in executive session without management present during 7 of its 2015 meetings. During 2015, the Lead Director, Stephen W. Sanger, chaired each of the executive sessions of the non-management and independent directors as part of his duties as Lead Director.



**Table of Contents****Committees of our Board**

The Board has established seven standing committees: Audit and Examination, Corporate Responsibility, Credit, Finance, Governance and Nominating, Human Resources, and Risk. The Board's committees act on behalf of the Board and report on their activities to the entire Board. The Board appoints the members and chair of each committee based on the recommendation of the GNC. The following table provides current membership information for each of the Board's standing committees.

Name	AEC	CRC	Credit	Finance	GNC	HRC	Risk
John D. Baker II	ü	ü	ü				
Elaine L. Chao			ü	ü			
John S. Chen						ü	
Lloyd H. Dean		ü			ü	Chair	ü
Elizabeth A. Duke (1)			ü	ü			ü
Susan E. Engel			ü	ü		ü	
Enrique Hernandez, Jr. (2)		ü		Chair			Chair
Donald M. James				ü		ü	
Cynthia H. Milligan		ü	Chair		ü		ü
Federico F. Peña (3)	ü	Chair			ü		ü
James H. Quigley	Chair		ü				ü
Judith M. Runstad		ü	ü	ü			
Stephen W. Sanger					Chair	ü	ü
Susan G. Swenson	ü				ü		
Suzanne M. Vautrinot (4)	ü		ü				

ü = Member

- (1) Effective January 26, 2016, Ms. Duke became a member of the Finance Committee.
- (2) Effective March 1, 2016, Mr. Hernandez ceased to be a member of the AEC.
- (3) Effective March 1, 2016, Mr. Peña succeeded Ms. Runstad, who is retiring at the 2016 annual meeting, as Chair of the CRC and a member of the Risk Committee.
- (4) Effective February 23, 2016, Ms. Vautrinot became a member of the Credit Committee.

The Board has adopted a charter for each standing Board committee that addresses its purpose, authority, and responsibilities and contains other provisions relating to, among other matters, membership and meetings. In its discretion each committee may form and delegate all or a portion of its authority to subcommittees of one or more of its members. As required by its charter, each committee annually reviews and assesses its charter's adequacy and reviews its performance, and also is responsible for overseeing reputation risk related to its responsibilities. Committees may recommend charter amendments at any time, and the Board must approve any recommended charter amendments. Additional information about the Board's seven standing committees, including their key responsibilities, appears below and a current copy of each committee's charter is available on our website at: <https://www.wellsfargo.com/about/corporate/governance>.

**Table of Contents****Audit and Examination Committee (AEC)****Number of meetings**

in 2015: 14

**Members:**

Quigley (Chair)

Baker

Peña

Swenson

Vautrinot

**Primary Responsibilities:**

Assists the Board in fulfilling its responsibilities to oversee the integrity of our financial statements and the adequacy and reliability of disclosures to our stockholders, including our internal control over financial reporting;

Selects and evaluates our independent auditor, including its qualifications and independence and approves all audit engagement fees and terms and all non-audit engagements of the independent auditor and engagement fees of any other external auditor for additional required audit, review or attest services;

Approves the appointment and compensation of the Company's Chief Auditor and oversees the performance of the Chief Auditor and the internal audit function;

Oversees operational risk, legal and regulatory compliance, financial crimes risk (Bank Secrecy Act and Anti-Money Laundering), information security risk (including cyber), and technology risk, approves significant supporting operational risk, compliance and financial crimes policies and programs, including our information security program, and reviews regulatory examination reports and communications;

Reviews and discusses the implementation and effectiveness of our ethics, business conduct, and conflicts of interest program;

Oversees resolution planning; and

Performs the audit committee and fiduciary audit committee functions on behalf of our bank subsidiaries in accordance with federal banking regulations.

**Independence and Experience:** Each member of the AEC is independent, as independence for audit committee members is defined by NYSE and SEC rules. The Board has determined, in its business judgment, that each current member of the AEC listed above is financially literate as required by NYSE rules, and that each of John D. Baker II, Federico F. Peña, James H. Quigley, and Susan G. Swenson qualifies as an audit committee financial expert as defined by SEC regulations. No AEC member may serve on the audit committee of more than two other public companies.

**Corporate Responsibility Committee (CRC)**

**Number of meetings**

**in 2015:** 3

**Members:**

Peña (Chair)

Baker

Dean

Hernandez

Milligan

Runstad

**Primary Responsibilities:**

Oversees the Company's policies, programs, and strategies regarding social responsibility matters of significance to the Company and the public at large, including the Company's community development and reinvestment activities and performance, fair and responsible lending, support of charitable organizations, and policies and programs related to environmental sustainability and human rights;

Oversees the Company's government relations and public advocacy policies and programs and at least annually receives reports from management on political and lobbying activities, including payments made to trade associations by Wells Fargo;

Monitors the Company's relationships with external stakeholders regarding significant social responsibility matters;

Monitors the Company's reputation generally, including with its customers; and

Receives reports and updates on customer service and complaints, including related to the Company's culture and its team members' focus on serving customers, and other matters relating to the Company's brand and reputation.



**Table of Contents****Credit Committee (Credit)****Number of meetings**

in 2015: 8

**Members:**

Milligan (Chair)

Baker

Chao

Duke

Engel

Quigley

Runstad

Vautrinot

**Primary Responsibilities:**

Monitors and reviews the performance and quality of, and the trends affecting our credit portfolios;

Oversees the effectiveness and administration of our credit risk management framework and other credit policies, including the organizational structure of Risk Asset Review (RAR), RAR's examination of the Company's credit portfolios, processes, and practices, the Company's adherence to credit risk appetite metrics, and credit risk aggregation and concentration limits;

Reviews management's assessment of the appropriateness of the allowance for credit losses, including the methodology and governance supporting the allowance for credit losses; and

Reviews and approves other credit-related activities as it deems appropriate or that are required to be approved by law or regulation, including the Company's credit quality plan, credit stress testing framework and related stress test results.

**Finance Committee (Finance)****Number of meetings**

in 2015: 4

**Members:**

Hernandez (Chair)

Chao

Duke

Engel

James

Runstad

**Primary Responsibilities:**

Oversees the administration and effectiveness of financial risk management policies and processes used to assess and manage market risk, interest rate risk, and investment risk;

Reviews the Company's capital levels relative to budgets and forecasts as well as the Company's risk profile, approves the Company's capital management and stress-testing policies, and oversees the administration and effectiveness of the Company's capital management and planning activities;

Reviews the Company's annual financial plan and financial and investment performance, and recommends to the Board the declaration of common stock dividends, the repurchase of securities, and the approval of significant capital expenditures; and

Oversees recovery planning.

**Governance and Nominating Committee (GNC)**

**Number of meetings**

**in 2015:** 4

**Members:**

Sanger (Chair)

Dean

Milligan

Peña

Swenson

**Primary Responsibilities:**

Assists the Board by identifying individuals qualified to become Board members and recommends to the Board nominees for director and committee membership;

Annually reviews and assesses the adequacy of our Corporate Governance Guidelines and oversees a review of the Board's performance;

Recommends to the Board a determination of each non-employee director's independence under applicable rules and guidelines;

Reviews director compensation and recommends any changes for approval by the Board; and

Oversees the Company's engagement with stockholders and other interested parties concerning governance matters and works with the Board's other committees in connection with stockholder engagement on matters subject to the oversight of such other committees.

**Independence:** Each member of the GNC is independent, as independence is defined by NYSE rules.

**Table of Contents****Human Resources Committee (HRC)****Number of meetings**

in 2015: 5

**Primary Responsibilities:**

Discharges the Board's responsibilities relating to the Company's overall compensation strategy and the compensation of our executive officers;

**Members:**

Dean (Chair)

Chen

Engel

James

Sanger

Oversees the Company's incentive compensation practices so that they are consistent with the safety and soundness of the Company and do not encourage excessive risk-taking and reviews and approves benefit and compensation plans and arrangements applicable to executive officers of the Company;

Evaluates the CEO's performance and approves and recommends the CEO's compensation to our Board for ratification and approval and approves compensation for our other executive officers and any other officers or employees as the HRC determines appropriate;

Oversees talent management and succession planning and diversity and inclusion initiatives;

Oversees actions taken by the Company regarding stockholder approval of executive compensation matters, including advisory votes on executive compensation; and

Has the sole authority to retain or obtain the advice of and terminate any compensation consultant, independent legal counsel or other advisor to the HRC, and evaluates the independence of its advisors in accordance with NYSE rules.

The HRC may delegate certain of its responsibilities to one or more HRC members or to designated members of senior management or committees. The HRC has delegated authority to the Director of Human Resources and the Director of Compensation and Benefits for the administration of the Company's benefit and compensation programs; however, the HRC generally has sole authority relating to incentive compensation plans applicable to executive officers, the approval of awards under any equity-based plans or programs and material amendments to any benefit or compensation plans or programs.

**Independence:** The Board has determined that each member of the HRC is a non-employee director under Rule 16b-3 of the Securities Exchange Act of 1934, as amended, an outside director for purposes of Section 162(m) of the Internal Revenue Code, as amended, and is independent, as independence for compensation committee members is defined by NYSE rules.

**Risk Committee (Risk)**

**Number of meetings**

**in 2015:** 7

**Members:**

Hernandez (Chair)

Dean

Duke

Milligan

Peña

Quigley

Sanger

**Primary Responsibilities:**

Approves and oversees the Company's enterprise-wide risk management framework and structure, including through the approval of the risk management framework which outlines the Company's approach to risk management and the policies, processes, and governance structures necessary to execute the risk management program, and approves the framework and policies for managing our key risk types;

Oversees the Corporate Risk function and the performance of the Chief Risk Officer, approves the appointment and compensation of the Chief Risk Officer, and monitors the effectiveness of our enterprise-wide risk program;

Annually recommends to the Board, and monitors adherence to, our risk appetite, and reviews our aggregate enterprise-wide risk profile and its alignment with our strategy and risk appetite;

Holds joint meetings with the AEC to focus on information security risk (including cyber) and technology risk;

Oversees the Company's Volcker compliance program; and

Oversees liquidity and funding risks, and risks associated with acquisitions and significant new business or strategic initiatives.

**Independence:** Each member of the Risk Committee is independent, as independence is defined by NYSE rules.

## Table of Contents

### **Our Board's Role in Risk Oversight**

Wells Fargo manages a variety of risks that can significantly affect our financial performance and our ability to meet the expectations of our customers, stockholders, regulators, and other stakeholders. Among the key risk types that we manage are credit risk, financial crimes risk, information security risk (including cyber), interest rate risk, liquidity risk, market risk, model risk, operational risk, regulatory compliance risk, reputation risk, strategic risk, and technology risk. Our risk culture is strongly rooted in our Vision and Values and, in order to succeed in our mission of satisfying our customers' financial needs and helping them succeed financially, our business practices and operating model must support prudent risk management practices.

Key elements of our risk culture and risk management framework include understanding and following our enterprise-wide statement of risk appetite, which describes the nature and magnitude of risk that we are willing to assume in pursuit of our strategic and business objectives, and the tone at the top set by our Board, CEO, Operating Committee (which consists of our Chief Risk Officer and other senior executives), and other members of senior management. Our senior management develops our enterprise statement of risk appetite in the context of our risk management framework and risk culture. The Board, together with our CEO and the Operating Committee, is the starting point for establishing and reinforcing our risk culture and overseeing our risks.

The Board carries out its risk oversight responsibilities directly and through the work of its seven standing committees, including its Risk Committee. All of these committees report to the whole Board and are comprised solely of independent directors. The Board's risk governance structure is outlined below, and additional information about our risk management framework and practices, as well as the responsibilities of each of our Board committees, is described in the Financial Review Risk Management section in our 2015 annual report on Form 10-K and under Committees of our Board in this proxy statement.

Each Board committee has defined authorities and responsibilities for considering a specific set of risk issues, as outlined in its charter, and works closely with management to understand and oversee the Company's key risk exposures. Allocating risk responsibilities among each Board committee increases the overall amount of attention devoted to risk management. The Risk Committee serves as a focal point for enterprise-wide risk issues, overseeing all key risks facing the Company. In this role, the Risk Committee supports and assists the Board's other standing committees as they consider their specific risk issues. The Risk Committee includes the chairs of each of the Board's other standing committees so that it does not duplicate the risk oversight efforts of other Board committees and to provide it with a comprehensive perspective on risk across the Company and across all individual risk types.

In addition to providing a forum for risk issues at the Board level, the Risk Committee provides oversight of the Corporate Risk function, and plays an active role in approving and overseeing the Company's enterprise-wide risk management framework established by management to manage risk and the functional framework and oversight policies developed by management for each key risk type. The Risk Committee and the full Board review and approve the enterprise statement of risk appetite annually, and the Risk Committee actively monitors the Company's risk profile relative to the approved risk appetite.

As part of the Board's and its committee's annual self-evaluation process, the Board's committees annually review their respective charters in light of regulatory requirements, updates to the Company's risk coverage statement (which defines the key risk types facing the Company), implementation and update of the Company's risk management framework and other functional risk management frameworks, and director and committee feedback. Recent changes in our Board committee risk oversight responsibilities include the following:

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

The Corporate Responsibility Committee's charter was amended to enhance the committee's oversight responsibilities for the Company's reputation generally, including with customers, by clarifying that the Committee's oversight of customer service and complaint matters includes matters relating to the Company's culture and its team members' focus on serving customers;

The Company increased reporting provided to the Board's Corporate Responsibility Committee on political and lobbying activities to include at least annually information on lobbying payments and payments made to trade associations, as part of the committee's existing oversight responsibilities for the Company's government relations activities and public advocacy policies and programs; and

To enhance Board-level oversight and avoid duplication, the Audit and Examination Committee began to hold periodic joint meetings with the Risk Committee in 2016 to focus on oversight of information security risk (including cyber) and technology risk.

22 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents**

The following chart summarizes key risk oversight responsibilities of our Board and its committees.

**Board of Directors**

Annually approves overall enterprise statement of risk appetite

**Risk Committee**

Oversight includes:

- Enterprise-wide risk management framework and structure, including through the approval of the risk management framework which outlines the Company's approach to risk management and the policies, processes, and governance structures necessary to execute the risk management program
- Risk functional framework and oversight policies, which outline roles and responsibilities for managing key risk types and the most significant cross-functional risk areas, including counterparty credit risk
- Corporate Risk function, including performance and compensation of the Chief Risk Officer
- Risk coverage statement
- Aggregate enterprise-wide risk profile and alignment of risk profile with the Company's strategy, objectives, and risk appetite
- Risk appetite statement, including changes in risk appetite and adherence to risk limits
- Risks associated with acquisitions and significant new business or strategic initiatives
- Liquidity and funding risks, emerging risk, strategic risk, and other selected risk topics and enterprise-wide risk issues, including model risk
- Volcker compliance program
- Through joint meetings with the AEC, information security risk (including cyber) and technology risk

AEC	Credit	CRC	Finance	GNC
Oversight includes:	Oversight includes:	Oversight includes:	Oversight includes:	Oversight includes:
Internal control over financial reporting	Credit risk, including through approval (and recommendation to the Risk Committee) of the credit risk functional framework and oversight policy	Reputation risk, including through approval (and recommendation to the Risk Committee) of the reputational risk functional framework and oversight policy	Interest rate risk, including mortgage servicing rights	Corporate governance compliance
Disclosure framework for financial and risk reports prepared for the Board, management and bank regulatory agencies	Allowance for credit losses, including governance and methodology	Customer service and complaint matters, including related to the Company's culture and its team members focus on serving customers	Market risk, including trading and derivative activities	Board and committee performance
External auditor performance	Adherence to enterprise credit risk appetite metrics and concentration limits	Fair and responsible mortgage and other consumer lending reputational risks	Approval (and recommendation to the Risk Committee) of the interest rate risk and market risk functional framework and oversight policies	<b>HRC</b> Oversight includes:
Internal audit function, including performance and compensation of the Chief Auditor	Credit quality plan		Investment risk, including fixed-income and equity portfolios	Overall incentive compensation strategy and incentive compensation practices
Operational risk, compliance with legal and regulatory requirements, financial crimes				Compensation risk management

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

risk (BSA/AML), information security risk (including cyber), and technology risk, including through approval (and recommendation to the Risk Committee) of the relevant functional framework and oversight policies	Compliance with credit risk framework, policies and underwriting standards	Social responsibility, political, and environmental risks	Capital position and planning, including capital levels relative to budgets and forecasts and the Company's risk profile, capital adequacy assessment and planning, and stress testing activities	Talent management and succession planning
Ethics, business conduct, and conflicts of interest program	Credit stress testing framework and results (including credit modeling issues)		Financial risk management policies used to assess and manage above market, interest rate, liquidity and investment risks	
Resolution planning	Credit aspects of Basel Capital Accords		Annual financial plan	
	Risk Asset Review organization, resources, and structure, and its examinations of credit portfolios, processes, and practices		Recovery planning	

The Board and its committees work closely with management in overseeing risk. Each Board committee receives reports and information regarding risk issues directly from management. Managers are accountable for managing risks through day-to-day operations, and the Company has established several management-level committees to support Wells Fargo leaders in carrying out their risk management responsibilities. These management committees include the Company's Operating Committee, which meets weekly, to discuss, among other things, strategic, operational and risk issues at the enterprise level, and the Enterprise Risk Management Committee, which is chaired by the Company's Chief Risk Officer and reports to the Board's Risk Committee. The Enterprise Risk Management Committee serves as the focal point for risk governance and oversight at the management level. A number of governance committees that are responsible for issues specific to an individual risk type report to the Enterprise Risk Management Committee.



## **Table of Contents**

Management's Corporate Risk organization is headed by the Company's Chief Risk Officer who, among other things, is responsible for setting the strategic direction and driving execution of the Company's risk management activities. The Chief Risk Officer is appointed by and reports to the Board's Risk Committee. The Chief Risk Officer, as well as the Chief Risk Officer's direct reports, works closely with the Board's committees and frequently provides reports and updates to the committees and the committee chairs on risk issues during and outside of regular committee meetings, as appropriate. The full Board receives reports at each of its meetings from the Board committee chairs about committee activities, including risk oversight matters, and receives a quarterly report from the Enterprise Risk Management Committee regarding current or emerging risk issues.

The Board believes that its Board leadership structure has the effect of enhancing the Board's risk oversight function because of the Lead Director's and Chairman's direct involvement in risk oversight matters and their strong efforts to promote open communication regarding risk issues among Board members and the Board's committees. The Board also believes that Mr. Stumpf's knowledge of the Company's businesses and risks significantly contributes to the Board's understanding and appreciation of risk issues.

## **Management Succession Planning and Development**

A primary responsibility of the Board is identifying and developing executive talent at the Company, especially the senior leaders of the Company and the CEO. Continuity of excellent leadership at all levels of the Company is part of the Board's mandate for delivering superior performance to stockholders. Toward that goal, the executive talent development and succession planning process is integrated in the Board's annual activities. Our Corporate Governance Guidelines require that our CEO and management annually report to the HRC and the Board on succession planning (including plans in the event of an emergency) and management development. The Board's Corporate Governance Guidelines also require that the CEO and management provide the HRC and the Board with an assessment of persons considered potential successors to certain senior management positions at least once each year. The Board has assigned to the HRC, as set forth in its charter, the responsibility to oversee the Company's talent management and succession planning process, including CEO succession planning.

Management and the Board take succession planning very seriously and while the Corporate Governance Guidelines require an annual review, the process for management development and succession planning occurs much more frequently and involves regular interaction between management, the HRC, the Lead Director and the Board. Management regularly identifies high potential executives for additional responsibilities, new positions, promotions or similar assignments to expose them to diverse operations within the Company, with the goal of developing well-rounded, experienced, and discerning senior leaders. Identified individuals are often positioned to interact more frequently with the Board so that directors may gain familiarity with these executives.

As part of the annual Board review, the CEO and human resources executives collaborate with the HRC to prepare succession and management development plans. The HRC often requires additional information or planning from management in evaluating the succession and management development plans. The HRC reports to the full Board on its findings and the Board deliberates in executive session on the CEO succession plan. As part of its management succession planning process, the Board elected Timothy J. Sloan as President and Chief Operating Officer in November 2015.

## **Communications with our Directors**

Stockholders and other interested parties who wish to communicate with the Board, including the Lead Director or the non-employee or independent directors as a group, may send an e-mail to [BoardCommunications@wellsfargo.com](mailto:BoardCommunications@wellsfargo.com) or a letter to Wells Fargo & Company, P.O. Box 63750, San Francisco, California 94163. Additional information about communication with our directors and the Board's process for

reviewing communications sent to the Board or its members is provided on our website at <https://www.wellsfargo.com/about/corporate/governance>.

24 Wells Fargo & Company 2016 Proxy Statement

## **Table of Contents**

### **Additional Information**

#### **Compensation Committee Interlocks and Insider Participation**

John S. Chen, Lloyd H. Dean, Susan E. Engel, Donald M. James, and Stephen W. Sanger served as members of the HRC in 2015. During 2015, no member of the HRC was an employee, officer, or former officer of the Company. None of our executive officers served in 2015 on the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that had an executive officer serving as a member of our Board or the HRC. As described under *Related Person Transactions*, all HRC members had banking or financial services transactions in the ordinary course of business with our banking and other subsidiaries.

#### **Other Matters Relating to Directors**

Susan E. Engel, one of our directors, served as chair and chief executive officer of Lenox Group Inc. (successor to Department 56), a tabletop, giftware, and collectibles company, from November 1996 until she retired in January 2007. In November 2008 Lenox Group filed a voluntary petition for relief under Chapter 11 in the U.S. Bankruptcy Court for the Southern District of New York. Susan G. Swenson, one of our directors, served as chief operating officer of Amp'd Mobile, Inc., a mobile technology provider, from October 2006 until July 2007. In June 2007 Amp'd Mobile filed a voluntary petition for relief under Chapter 11 in the U.S. Bankruptcy Court for the District of Delaware, and in July 2007 Amp'd Mobile ceased operations and thereafter sold its assets.

#### **HRC and GNC Use of Compensation Consultant**

The HRC and GNC, similar to other Board committees, are authorized to retain and obtain advice of legal, accounting, or other advisors at our expense without prior permission of management or the Board. The HRC and GNC use a consultant to assist in the evaluation of executive compensation and non-employee director compensation, respectively. Under its charter, the HRC has sole authority to retain or obtain the advice of and terminate any compensation consultant, independent legal counsel or other adviser to the HRC, and approve their fees and other retention terms. The HRC and GNC charters are available on our website at: <https://www.wellsfargo.com/about/corporate/governance>.

The HRC and GNC retained Cook & Co., a nationally recognized compensation consulting firm, and its CEO, George Paulin, to provide independent advice on executive and non-employee director compensation matters for 2015. Cook & Co.'s business is limited to providing independent compensation consulting services to its clients. Cook & Co. does not provide any other management or human resources-related services to our Company. In addition, it is 100% owned by its senior consultants and has no outside equity or reciprocal financial relationships.

The HRC's and GNC's agreement with Cook & Co. provides that Cook & Co. works directly on behalf of the HRC and GNC, as the case may be, and prohibits Cook & Co. from performing other services for the Company without the prior consent of the Chair of the HRC or GNC. To help maintain the independence of any consultant retained by the HRC, the HRC charter requires the HRC to pre-approve all services performed for the Company by any compensation consultant to the HRC other than services performed for the GNC for non-employee director compensation matters. The HRC pre-approved the additional survey services described below that Cook & Co. provided to the Company during 2015. In November 2015, the HRC assessed the independence of Cook & Co. and Mr. Paulin and concluded that no conflict of interest exists.

Cook & Co. compiles compensation data for the financial services companies the HRC considers our Labor Market Peer Group from time to time, and reviews with the HRC the Company's executive compensation programs generally and in comparison to those of our Labor Market Peer Group. Cook & Co. also advises the HRC on the reasonableness of our compensation levels compared to our Labor Market Peer Group, and the appropriateness of our compensation program structure in supporting the Company's business objectives. Cook & Co. provides services to the GNC for non-employee director compensation similar to those it provides to the HRC for executive compensation. The HRC annually reviews the services performed by and the fees paid to Cook & Co. The total amount of fees the Company paid Cook & Co. in 2015 was \$152,993, which included the fees paid for services provided as the independent compensation consultant to the HRC and GNC, reimbursement of Cook & Co.'s reasonable travel and business expenses, and a fee of less than \$5,000 for a survey of long-term incentives which is used for evaluating the competitiveness of long-term incentive opportunities for other positions throughout the Company.

**Table of Contents****Director Compensation**

The table below provides information on 2015 compensation for our non-employee directors. Mr. Stumpf is an employee director and does not receive separate compensation for his Board service. The Company reimburses directors for expenses incurred in their Board service, including the cost of attending Board and committee meetings. Additional information on our director compensation program follows the table.

**2015 Director Compensation Table**

Name (a)	Fees Earned or Paid in Cash \$(1)(2) (b)	Stock Awards \$(3) (c)	Option Awards \$(4) (d)	Non-Equity Incentive Plan Compensation \$(5) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f)	All Other Compensation \$(5) (g)	Total \$(h)
John D. Baker II	181,000	180,027					361,027
Elaine L. Chao	111,000	180,027					291,027
John S. Chen	99,000	180,027					279,027
Lloyd H. Dean	166,000	180,027					346,027
Elizabeth A. Duke	121,000	233,414					354,414
Susan E. Engel	151,000	180,027					331,027
Enrique Hernandez, Jr.	217,000	180,027				5,000	402,027
Donald M. James	113,000	180,027					293,027
Cynthia H. Milligan	172,000	180,027					352,027
Federico F. Peña	135,000	180,027				5,000	320,027
James H. Quigley	202,000	180,027					382,027
Judith M. Runstad	204,000	180,027					384,027
Stephen W. Sanger	202,000	180,027					382,027
Susan G. Swenson	129,000	180,027					309,027
Suzanne M. Vautrinot	104,750	220,060					324,810

- (1) Includes fees earned, whether paid in cash or deferred, for service on the Company's Board in 2015 (including any such amounts paid in 2016) as described under Cash Compensation below. Also includes fees paid to non-employee directors who serve on the board of directors of Wells Fargo Bank, N.A. (Bank), a wholly owned subsidiary of the Company, or are members of one or more special purpose committees. Messrs. Dean, Hernandez, Quigley, and Sanger and Meses. Milligan and Runstad, as directors of the Bank, received an annual cash retainer of \$10,000, payable quarterly in arrears, and a fee of \$2,000 for any separate meeting of the Bank Board not held concurrently with or immediately prior to or following a Company Board or committee meeting. In 2015, all Bank Board meetings were held concurrently with or immediately prior to or following a Company Board or standing committee meeting. A fee of \$2,000 was paid for the following number of special purpose committee meetings attended which were not held concurrently with or immediately prior to or following a Company Board or committee meeting: Mr. Baker 19 meetings; Ms. Duke and Mr. Quigley 3 meetings; Ms. Engel 12 meetings; Mr. Hernandez 5 meetings; Messrs. James, Peña, and Sanger 1 meeting; and Ms. Runstad 18 meetings.

**Table of Contents**

- (2) Includes fees earned in 2015 but deferred at the election of the director. The following table shows the number of stock units credited on a quarterly basis to our non-employee directors under our deferral program for deferrals of 2015 cash compensation paid quarterly in arrears and the grant date fair value of those stock units based on the closing price of our common stock on the date of deferral:

Name	Stock Units (#)	Grant Date Fair Value (\$)
John D. Baker II	829.6255	44,750
	856.6157	48,750
	831.0653	42,750
	823.2156	44,750
Lloyd H. Dean	440.3040	23,750
	364.6108	20,750
	345.0623	17,750
	381.7144	20,750
Elizabeth A. Duke	532.9996	28,750
	470.0404	26,750
	675.5443	34,750
	565.6733	30,750
Donald M. James	570.0779	30,750
	470.0404	26,750
	520.0233	26,750
	528.8815	28,750
Stephen W. Sanger	1,028.9210	55,500
	869.7944	49,500
	923.4059	47,500
	910.5960	49,500

- (3) We granted 3,249 shares of our common stock to each non-employee director elected at the 2015 annual meeting of stockholders on April 28, 2015. In addition, we granted 976 shares to Ms. Duke on January 2, 2015 following her election to the Board effective January 1, 2015 and 723 shares of our common stock to Ms. Vautrinot upon her election to the Board on February 24, 2015. The grant date fair value of each award is based on the number of shares granted and the NYSE closing price of our common stock on the grant date.
- (4) The table below shows for each non-employee director with outstanding options, the aggregate number of shares of our common stock underlying unexercised options at December 31, 2015. All options were fully exercisable at December 31, 2015. Directors who are not reflected in the table below do not hold any outstanding options with respect to our common stock.

Name	Number of Securities Underlying Unexercised Options
John D. Baker II	22,570
John S. Chen	37,784
Lloyd H. Dean	32,112
Susan E. Engel	41,198
Enrique Hernandez, Jr.	44,442
Donald M. James	22,570
Cynthia H. Milligan	44,442
Judith M. Runstad	44,442
Stephen W. Sanger	44,442
Susan G. Swenson	37,784

- (5) The amount under All Other Compensation for each of Messrs. Hernandez and Peña represents a Company matching contribution during 2015 under the Company's charitable matching contribution program, which for 2015 matched charitable donations to qualified schools and educational institutions of up to \$5,000 per year, on a dollar-for-dollar basis, per employee and non-employee director of the Company.

**Table of Contents****Structure of our Director Compensation Program****Cash Compensation**

The following table shows the components of cash compensation paid to non-employee directors in 2015. Cash retainers and fees are paid quarterly in arrears. Directors who join the Board during the year receive a prorated annual cash retainer. Effective January 1, 2016, the annual Lead Director fee was increased to \$60,000 and the AEC and Risk Committee Chair fees were increased to \$40,000.

<b>2015 Component</b>	<b>Amount (\$)</b>
Annual Cash Retainer	75,000
Annual Lead Director Fee	40,000
Annual Committee Chair Fees	
AEC and Risk Committee	35,000
CRC, Credit Committee, Finance Committee, GNC and HRC	25,000
Regular or Special Board or Committee Meeting Fee <sup>1</sup>	2,000

(1) Includes standing committee meetings as well as special purpose committee meetings not held concurrently with or immediately prior to or following a Company Board or standing committee meeting.

**Equity Compensation**

For 2015, each non-employee director elected to the Board at the Company's annual meeting of stockholders received on that date an award of Company common stock having a value of \$180,000. Each non-employee director who joins the Board as of any other date receives, as of such other date, an award of Company common stock having a value of \$180,000 prorated to reflect the number of months (rounded up to the next whole month) until the next annual meeting of stockholders. The dollar value of each stock award is converted to a number of shares of Company common stock using the closing price on the grant date, rounded up to the nearest whole share.

**Deferral Program**

A non-employee director of the Company or the Bank may defer all or part of his or her cash compensation and stock awards. Cash compensation may be deferred into either an interest-bearing account or common stock units with dividends reinvested. The interest rate paid in 2015 on interest-bearing accounts was 2.54%. Stock awards may be deferred only into common stock units with dividends reinvested. Deferred amounts are paid either in a lump sum or installments as elected by the director.

**Stock Ownership Policy**

The Board has adopted a director stock ownership policy that each non-employee director, within five years after joining the Board, own shares of our common stock having a value equal to five times the annual cash retainer, and maintain at least that ownership level while a member of the Board and for one year after service as a director ends. Each director who has been on the Board for five years or more exceeded this ownership level as of December 31, 2015, and each director who has served less than five years is on track to meet this ownership level.

28 Wells Fargo & Company 2016 Proxy Statement



**Table of Contents**

## **INFORMATION ABOUT RELATED PERSONS**

### **Related Person Transactions**

#### **Lending and Other Ordinary Course Financial Services Transactions**

During 2015 our executive officers, directors (including all HRC members), and each of the persons we know of that beneficially owned more than 5% of our common stock on December 31, 2015 (Berkshire Hathaway Inc., BlackRock, Inc., and The Vanguard Group), and some of their respective immediate family members and/or affiliated entities had loans, other extensions of credit and/or other banking or financial services transactions with our banking and other subsidiaries in the ordinary course of business, including deposit, brokerage, investment advisory, capital markets, investment banking, and insurance transactions. Except for the relocation loans to two of our executive officers as described below, all of these lending, banking, and financial services transactions were on substantially the same terms, including interest rates, collateral, and repayment (as applicable), as those available at the time for comparable transactions with persons not related to the Company, and did not involve more than the normal risk of collectability or present other unfavorable features. In the ordinary course of business, we also purchase or sell insurance and other products and services of Berkshire Hathaway and its affiliates and purchase investment management technology products and advisory services from BlackRock and its affiliates. We and our customers also may invest in mutual funds, exchange traded funds and other products affiliated with BlackRock and Vanguard in the ordinary course of business. All of these transactions were entered into on an arms length basis and under customary terms and conditions.

#### **Relocation Program**

Under our Relocation Program, as in effect prior to the July 30, 2002 revisions described below, executive officers who relocated at our request were eligible to receive a first mortgage loan (subject to applicable lending guidelines) from Wells Fargo Home Lending on the same terms as those available to our team members, which terms included waiver of the loan origination fee. Executive officers who relocated to a designated high cost area were eligible to receive from the Company a mortgage interest subsidy on the first mortgage loan of up to 25% of the executive's annual base salary, payable over a period of not less than the first three years of the first mortgage loan, and a 30-year, interest-free second mortgage down payment loan in an amount up to 100% of his or her annual base salary to purchase a new primary residence. The down payment loan must be repaid in full if the executive terminates employment with the Company or retires, or if the executive sells the home. Our Relocation Program was revised effective as of July 30, 2002 to eliminate these loan benefits for executive officers in compliance with the requirements under the Sarbanes-Oxley Act of 2002. Under the revised Relocation Program, any executive officer who received the mortgage interest subsidy and interest-free down payment loan benefit described above was allowed to continue to receive those benefits, but is not allowed to amend the terms of the loan to which these benefits relate.

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

We currently have interest-free loans outstanding under this Relocation Program to two of our executive officers. The following table provides information about these loans as of December 31, 2015:

<b>Executive Officer</b>	<b>Original Loan Amount</b>	<b>Highest Principal Balance During 2015</b>	<b>12/31/15 Balance</b>	<b>Principal and Interest Paid During 2015</b>	<b>Interest Rate</b>	<b>Purpose</b>
<b>Richard D. Levy</b> <i>Executive Vice President</i>	\$325,000	\$325,000	\$325,000	\$0	0%	Loan made prior to his becoming an executive officer in September 2002 in connection with his relocation from New Jersey to California following his employment by the Company.
<b>James M. Strother</b> <i>and Controller</i> <i>Senior Executive Vice President and General Counsel</i>	310,000	310,000	310,000	0	0	Loan made in connection with his relocation from Iowa to California after he assumed a new position with the Company and before he became an executive officer.

## **Table of Contents**

### **Transactions with Entities Affiliated with Directors**

Enrique Hernandez, Jr., one of our directors, is chairman, president, chief executive officer, and a majority owner of Inter-Con Security Systems, Inc. In 2015, Inter-Con provided guard services to certain of the Company's retail banking stores under an agreement we first entered into in 2005. Payments in 2015 to Inter-Con under this contract did not exceed 1% of Inter-Con's or the Company's 2015 consolidated gross revenues, and each year since this contractual relationship began the Board has determined that our relationship with Inter-Con does not impair Mr. Hernandez's independence under our Director Independence Standards. In 2015, we paid Inter-Con approximately \$1.9 million for services under this contract. We believe that these services were provided on terms at least as favorable as would have been available from other parties. The Company intends to continue its dealings with Inter-Con in the future on similar terms.

### **Family and Other Relationships**

The Company employed Cynthia H. Milligan's brother, James A. Hardin, as a wealth management advisor until November 2015, when he ceased employment with the Company. In 2015, James Hardin received compensation of approximately \$217,000, including sales commissions. We established the compensation paid to Mr. Hardin in 2015 in accordance with our employment and compensation practices applicable to team members with equivalent qualifications and responsibilities and holding similar positions. In addition to this compensation, Mr. Hardin also received employee benefits generally available to all of our team members. Mr. Hardin does not share the home of Ms. Milligan, and Ms. Milligan did not have an interest in his prior employment relationship. Mr. Hardin was not an executive officer of the Company and did not directly report to an executive officer of the Company. We believe that this prior employment relationship does not and did not have any impact on or impair the independence of Ms. Milligan or her ability to represent your best interests as a director.

In 2010, the Board, based on the recommendation of the GNC, agreed as a matter of policy to strongly discourage the Company's employment of any additional immediate family members of directors.

### **Related Person Transaction Policy and Procedures**

The Board has adopted a written policy and procedures for the review and approval or ratification of transactions between the Company and its related persons and/or their respective affiliated entities. We refer to this policy and procedures as our Related Person Policy. Related persons under this policy include our directors, director nominees, executive officers, holders of more than 5% of our common stock, and their respective immediate family members. Their immediate family members include spouses, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and any person (other than a tenant or employee) who shares the home of a director, director nominee, executive officer, or holder of more than 5% of our common stock.

Except as described below, the Related Person Policy requires either the GNC or AEC, depending upon the related person involved, to review and either approve or disapprove transactions, arrangements, or relationships in which:

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

The amount involved will, or may be expected to exceed \$120,000 in any fiscal year;

The Company is, or will be a participant; and

A related person or an entity affiliated with a related person has, or will have a direct or indirect interest.

We refer to these transactions, arrangements, or relationships in the Related Person Policy as Interested Transactions. Any potential Interested Transactions that are brought to the Company's attention are analyzed by the Company's Law Department, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship does, in fact, constitute an Interested Transaction requiring compliance with the Related Person Policy. The Board has determined that the GNC or AEC does not need to review or approve certain Interested Transactions even if the amount involved will exceed \$120,000, including the following transactions:

Lending and other financial services transactions with related persons or their affiliated entities that comply with applicable banking laws and are in the ordinary course of business, non-preferential, and do not involve any unfavorable features;

Employment of a named executive officer or of an executive officer if he or she is not an immediate family member of another Company executive officer or director and his or her compensation would be reported in our proxy statement if he or she was a named executive officer and the HRC approved (or recommended that the Board approve) such compensation;

Compensation paid to one of our directors if the compensation is reported pursuant to SEC rules in our proxy statement;

30 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents**

Transactions with another entity at which a related person's only relationship with that entity is as a director, limited partner, or beneficial owner of less than 10% of that entity's ownership interests (other than a general partnership interest);

Transactions with another entity at which a related person's only relationship with that entity is as an employee (other than an executive officer), if such transactions are in the ordinary course of business, non-preferential, and the amount involved does not exceed the greater of \$1 million or 2% of such other entity's consolidated gross revenues;

Charitable contributions by the Company or a Company-sponsored charitable foundation to tax-exempt organizations at which a related person's only relationship is as an employee (other than an executive officer) or a director or trustee (other than chairman of the board or board of trustees), if the amount involved (excluding Company matching funds) does not exceed the lesser of \$1 million or 2% of such organization's consolidated gross revenues; and

Transactions with holders of more than 5% of our common stock and/or such holders' immediate family members or affiliated entities, if such transactions are in the ordinary course of business of each of the parties, unless such stockholder is one of our executive officers, directors or director nominees, or an immediate family member of one of them.

The GNC approves, ratifies, or disapproves those Interested Transactions required to be reviewed by the GNC which involve a director and/or his or her immediate family members or affiliated entities. The AEC approves, ratifies, or disapproves those Interested Transactions required to be reviewed by the AEC which involve our executive officers, holders of more than 5% of our common stock, and/or their respective immediate family members or affiliated entities. Under the Related Person Policy, if it is not feasible to get prior approval of an Interested Transaction, then the GNC or AEC, as applicable, will consider the Interested Transaction for ratification at a future committee meeting. When determining whether to approve or ratify an Interested Transaction, the GNC and AEC will consider all relevant material facts, such as whether the Interested Transaction is in the best interests of the Company, whether the Interested Transaction is on non-preferential terms, and the extent of the related person's interest in the Interested Transaction. No director is allowed to participate in the review, approval, or ratification of an Interested Transaction if that director, or his or her immediate family members, or their affiliated entities are involved. The GNC or AEC, as applicable, annually reviews all ongoing Interested Transactions.

Table of Contents**OWNERSHIP OF OUR COMMON STOCK****Directors and Executive Officers****Stock Ownership Requirements and Other Policies****Stock Ownership Requirements**

To reinforce the long-term perspective of stock-based compensation and emphasize the relationship between the interests of our directors and executive officers with your interests as stockholders, we require our non-employee directors and our executive officers to own shares of our common stock. Our Board has adopted robust stock ownership policies that apply to our directors and executive officers as summarized in the chart below.

<b>Director Stock</b>	
<b>Ownership Policy</b>	After five years on the Board, each non-employee director must own stock having a value equal to five times the annual cash retainer we pay our directors, and maintain at least that stock ownership level while a member of the Board and for one year after service as a director terminates.
<b>Requirements</b>	
<b>Executive Officer Stock</b>	
<b>Ownership Policy</b>	Until one year following retirement, our executive officers must hold shares equal to at least 50% of the after-tax profit shares (assuming a 50% tax rate) acquired upon the exercise of options or vesting of RSRs and Performance Shares, subject to a maximum requirement of ten times the executive officer's cash salary.
<b>Requirements</b>	

Shares counted toward ownership include shares a non-employee director has deferred pursuant to the Directors Stock Compensation and Deferral Plan (Directors Plan) and any applicable predecessor director compensation and deferral plans, shares (or share equivalents) an executive officer holds in the Company 401(k) Plan, Supplemental 401(k) Plan, Deferred Compensation Plan, Direct Purchase and Dividend Reinvestment Plan, and shares owned by an executive officer's spouse. Compliance with these stock ownership requirements is calculated annually and reported to the GNC (for non-employee directors) or to the HRC (for executive officers).

**Anti-Hedging Policies**

To further strengthen the alignment between stock ownership and your interests as stockholders, our Code of Ethics requirements prohibit all team members, including our executive officers, and directors from engaging in derivative or hedging transactions involving any Company securities, including our common stock.

**No Pledging Policy**

Our Board of Directors has adopted policies which are reflected in our Corporate Governance Guidelines that prohibit our directors and executive officers from pledging Company equity securities as collateral for margin or other similar loan transactions.

32 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents****Director and Executive Officer Stock Ownership Table**

The following table shows how many shares of common stock our current directors and nominees for director, our named executives, and all directors and executive officers as a group owned on February 24, 2016, and the number of shares they had the right to acquire within 60 days of that date, including RSRs and Performance Shares that vest within 60 days of that date. This table also shows, as of February 24, 2016, the number of common stock units credited to the accounts of our non-employee directors, named executives, and all directors and executive officers as of that date as a group under the terms of the benefit and deferral plans in which they participate. None of our directors or executive officers, individually or as a group, beneficially own more than 1% of our outstanding common stock.

Name	Amount and Nature of Ownership (1)			Total (7)
	Common Stock Owned (2)(3)	Options Exercisable within 60 days of 2/24/16 (4)	Common Stock Units (5)(6)	
<b>Non-Employee Directors</b>	(a)	(b)	(c)	(d)
John D. Baker II	38,139	22,570	67,058	127,767
Elaine L. Chao	150		20,671	20,821
John S. Chen	32,664	37,784	12,144	82,592
Lloyd H. Dean	36,778	32,112	21,676	90,566
Elizabeth A. Duke	4,325		2,266	6,591
Susan E. Engel	13,433	41,198	98,264	152,895
Enrique Hernandez, Jr.	17,949	44,442	70,666	133,057
Donald M. James	3,863	22,570	64,147	90,580
Cynthia H. Milligan	98,728	37,784	27,435	163,947
Federico F. Peña	19,531			19,531
James H. Quigley	150		8,873	9,023
Judith M. Runstad	73,850	44,442	32,135	150,427
Stephen W. Sanger	19,262	44,442	103,444	167,148
Susan G. Swenson	95,154	37,784	36,632	169,570
Suzanne M. Vautrinot	100		4,055	4,155
<b>Named Executives</b>				
David M. Carroll	359,669	327,379		687,048
Avid Modjtabai	310,033	520,445	15,743	846,221
John R. Shrewsberry	224,877	220,255	23,573	468,705
Timothy J. Sloan	522,191	1,004,864	39,835	1,566,890
John G. Stumpf*	1,618,474	3,777,328	75,792	5,471,594
Carrie L. Tolstedt	835,200	1,655,462	31,541	2,522,203
All directors and executive officers as a group (26 persons)	5,111,381	8,841,392	808,596	14,761,369

\* Mr. Stumpf also serves as a director.

- (1) Unless otherwise stated in the footnotes below, each of the named individuals and each member of the group have sole voting and investment power for the applicable shares of common stock shown in the table.
- (2) The amounts shown for executive officers include shares of common stock allocated to the account of each executive officer under one or both of the Company's 401(k) and Stock Purchase Plans as of February 24, 2016.
- (3) For the following directors, named executives, and for all directors and executive officers as a group, the share amounts shown in column (a) of the table include certain shares over which they may have shared voting and investment power:

John D. Baker II, 5,275 shares held in a trust of which he is a co-trustee and in a trust by a partnership in which he is a partner; also includes 332 shares held for the benefit of family members as to which he disclaims beneficial ownership;

David M. Carroll, 356,964 shares held in a trust of which he is a co-trustee;

John S. Chen, 4,000 shares held in a trust of which he is a co-trustee;

Lloyd H. Dean, 1,122 shares held in a trust of which he is co-trustee;

Enrique Hernandez, Jr., 17,949 shares held in a trust of which he is a co-trustee;

Cynthia H. Milligan, 8,075 shares held by spouse, and 1,061 shares held by spouse in an IRA account;

Federico F. Peña, 19,531 shares held in a trust;

Judith M. Runstad, 40,000 shares held by spouse;

Stephen W. Sanger, 19,262 shares held in a trust of which he is a co-trustee;

John R. Shrewsberry, 218,185 shares held in a trust of which he is a co-trustee;

Timothy J. Sloan, 521,408 shares held in a trust of which he is a co-trustee;





**Table of Contents**

John G. Stumpf, 1,111,024 shares held in trusts of which he is a co-trustee, and 5,387 shares held by spouse in an IRA account;  
 Carrie L. Tolstedt, 817,661 shares held in a trust of which she is a co-trustee;  
 Suzanne M. Vautrinot, 100 shares held in a trust; and  
 All directors and executive officers as a group, 3,688,692 shares.

- (4) Includes the following number of RSRs and 2013 Performance Shares (including whole share dividend equivalents credited as of February 24, 2016) that will vest within 60 days of February 24, 2016: Mr. Stumpf 23,573 RSRs and 553,755 Performance Shares; Mr. Shrewsberry 19,452 RSRs and 108,573 Performance Shares; Mr. Carroll 3,767 RSRs and 243,652 Performance Shares; Ms. Modjtabei 3,563 RSRs and 243,652 Performance Shares; Mr. Sloan 4,752 RSRs and 243,652 Performance Shares; and Ms. Tolstedt 3,692 RSRs and 243,652 Performance Shares; and all executive officers as a group 76,101 RSRs and 2,104,695 Performance Shares.
- (5) For executive officers, includes the following whole common stock units credited to their accounts as of February 24, 2016 under the terms of the Supplemental 401(k) Plan and/or Deferred Compensation Plan, which amounts will be paid only in shares of common stock:

Name	Supplemental 401(k) Plan	Deferred Compensation Plan
David M. Carroll		
Avid Modjtabei	15,519	224
John R. Shrewsberry	10,315	13,258
Timothy J. Sloan	39,835	
John G. Stumpf	75,792	
Carrie L. Tolstedt	31,541	
All executive officers as a group	224,768	14,362

- (6) For non-employee directors, includes common stock units credited to their accounts pursuant to deferrals made under the terms of the Directors Plan and predecessor director compensation and deferral plans. All of these units, which are credited to individual accounts in each director's name, will be paid in shares of our common stock except for 24,225 shares in the aggregate, which will be paid in cash.
- (7) Total does not include the following RSRs and/or target number of Performance Shares (including dividend equivalents credited on that target number as of February 24, 2016) granted under the Company's LTICP that were not vested as of February 24, 2016, or expected to vest within 60 days after February 24, 2016. Upon vesting, each RSR and Performance Share will convert to one share of common stock. Performance Share amounts are subject to increase or decrease depending upon the Company's satisfaction of performance goals. See also the Outstanding Equity Awards at Fiscal Year-End table.

Name	RSRs	Performance Shares
David M. Carroll	36,069	382,463
Avid Modjtabei	35,659	382,463
John R. Shrewsberry	58,249	321,037
Timothy J. Sloan	53,326	463,272
John G. Stumpf	37,201	857,894
Carrie L. Tolstedt	35,444	382,463
All executive officers as a group	351,235	3,559,899

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, and related regulations require our directors, executive officers, and anyone holding more than 10% of our common stock to report their initial ownership of our common stock and any changes in that ownership to the SEC and the NYSE. We are required to disclose in this proxy statement the failure to file these reports by any reporting person when due. We assist our directors and executive officers in complying with these requirements. All reporting persons of the Company satisfied these filing requirements during 2015. In making these disclosures, we are relying on written representations of each reporting person and copies of the reports filed with the SEC.

**Table of Contents****Principal Stockholders**

The following table contains information regarding the only persons and groups we know of that beneficially owned more than 5% of our common stock as of December 31, 2015.

Name and Address of Beneficial Owner (1)(2)(3) (a)	Amount and Nature of Beneficial Ownership of Common Stock (1)(2)(3) (b)	Percent of Common Stock Owned (1)(2)(3) (c)
Warren E. Buffett	506,308,470	9.9%
Berkshire Hathaway Inc.  3555 Farnam Street  Omaha, Nebraska 68131		
BlackRock, Inc.  55 East 52 <sup>nd</sup> Street  New York, New York 10055	286,880,914	5.6%
The Vanguard Group, Inc.  100 Vanguard Boulevard  Malvern, Pennsylvania 19355	274,621,069	5.4%

- (1) Based on a Schedule 13G/A filed on February 16, 2016 with the SEC by Warren E. Buffett and Berkshire Hathaway Inc., a diversified holding company which Mr. Buffett may be deemed to control. Mr. Buffett and Berkshire Hathaway share voting and dispositive power over 504,299,470 reported shares, which include shares beneficially owned by certain subsidiaries of Berkshire Hathaway. Mr. Buffett reports sole voting and dispositive power over 2,009,000 of the shares.
- (2) Based on a Schedule 13G/A filed on February 10, 2016 with the SEC by BlackRock, Inc. on behalf of itself and certain of its subsidiaries. Each of BlackRock and its subsidiaries has sole voting power over 246,143,826 and shared voting power over 54,405 of the shares. Each of BlackRock and its subsidiaries has sole dispositive power over 286,826,509 and shared dispositive power over 54,405 of the shares.
- (3) Based on a Schedule 13G/A filed on February 11, 2016 with the SEC by The Vanguard Group, Inc., on behalf of itself and certain of its subsidiaries. The Vanguard Group has sole voting power over 8,669,364 of the shares and shared voting power over 485,700 of the shares. The Vanguard Group has sole dispositive power over 265,398,879 of the shares and shared dispositive power over 9,222,190 of the shares.

Table of Contents

## **EXECUTIVE COMPENSATION**

### **Item 2 Advisory Resolution to Approve Executive Compensation**

As provided by the Dodd-Frank Act and SEC rules, we provide our stockholders with an advisory vote to approve the compensation of our executive officers, or say on pay. Based on the preference expressed by stockholders at our 2011 annual stockholders meeting, the Board has determined to have an annual advisory vote on executive compensation until the next advisory vote on the frequency of our advisory say on pay vote is held (which will occur at our 2017 annual meeting). The next advisory vote on executive compensation will occur at our 2017 annual meeting unless our Board determines otherwise.

We are asking our stockholders to approve an advisory resolution to approve compensation paid to named executives as described in the CD&A, the compensation tables and related disclosures. This item gives our stockholders the opportunity to express their views on our 2015 compensation decisions and policies for our named executives as discussed in this proxy statement. Although the say on pay vote is advisory and not binding on our Board, the HRC will take the outcome of the vote into consideration when making future executive compensation decisions. We describe in our CD&A and related compensation tables our 2015 compensation principles, governance, and decisions for our named executives.

Highlights include:

Our four compensation principles continued to guide the HRC in making its pay decisions for our named executive officers:

1. Pay for Performance
2. Foster Risk Management Culture
3. Attract and Retain Top Executive Talent
4. Encourage Creation of Long-Term Stockholder Value

For 2015, the HRC maintained the relative balance between base salary and annual incentive award opportunity for each of our named executive officers to reduce undue focus on short-term financial performance at the risk of the Company's long-term interests.

The HRC also maintained the high proportion of total pay in long-term performance-based equity compensation to align management and stockholder interests in increasing stockholder value over the long-term.

The HRC continued to enhance our strong compensation risk management practices to discourage imprudent risk taking by requiring executives to bear the long-term risk of their activities.

### **Advisory Resolution (Say on Pay)**

We are requesting your non-binding, advisory vote on the following resolution:

RESOLVED, that the compensation paid to the Company's named executives, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and related material disclosed in this proxy statement, is hereby APPROVED.

### **Voting and Effect of Vote**

You will vote *FOR*, *AGAINST*, or *ABSTAIN* on this Item 2. Because your vote is advisory, it will not be binding on the Company, the Board, or the HRC and will not overrule any decision by the Board or require the Board to take any action. However, the Board values our stockholders' views on executive compensation matters and will consider the outcome of this vote when making future executive compensation decisions for named executives.

### **Board Recommendation**

As noted in the CD&A, the HRC believes that its 2015 compensation decisions were consistent with our compensation principles and will benefit stockholders for short-term and long-term Company performance, and that the compensation paid to the named executives for 2015 was reasonable and appropriate.

**The Board recommends that you vote FOR the advisory resolution to approve the compensation paid to the Company's named executives, as disclosed in this proxy statement in the CD&A, the compensation tables, and any related material (Item 2 on the proxy card).**

**Table of Contents****Compensation Committee Report**

In its capacity as the compensation committee of the Board, the HRC has reviewed and discussed with management the CD&A below. Based on this review and these discussions, the HRC has recommended to the Board that the CD&A be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the SEC.

**Members of the Human Resources Committee:**

Lloyd H. Dean, Chair	Donald M. James
John S. Chen	Stephen W. Sanger
Susan E. Engel	

**Compensation Discussion and Analysis**

<b>Topic</b>	<b>Page</b>
<b><u>2015 Performance and Compensation Overview</u></b>	<b>38</b>
<u>2015 Company Performance Highlights</u>	38
<u>2015 Compensation Highlights</u>	38
<u>2015 Compensation Decisions</u>	39
<b><u>How the HRC Considers Prior Say on Pay Votes and Investor Feedback</u></b>	<b>40</b>
<b><u>2015 Compensation Governance Highlights</u></b>	<b>41</b>
<b><u>Compensation Elements</u></b>	<b>42</b>
<u>Annual Compensation</u>	42
<u>Long-Term Compensation</u>	42
<u>Plans and Programs</u>	42
<b><u>Governance Framework for Compensation Decisions</u></b>	<b>43</b>
<u>Company Performance</u>	43
<u>Peer Group Analysis</u>	43
<u>Business Line Performance</u>	44
<u>Individual Performance</u>	45
<u>Independent Compensation Consultant Advice</u>	45
<u>Risk Management</u>	46
<u>HRC Discretion</u>	47
<b><u>Clawback and Recoupment Policies and Provisions</u></b>	<b>47</b>
<b><u>2015 Compensation Decisions for Named Executives</u></b>	<b>48</b>
<u>2015 Annual Base Salaries</u>	48
<u>2015 Annual Incentive Compensation</u>	48

<u>2015 Long-Term Incentive Compensation</u>	52
<b><u>Long-Term Incentive Compensation Program</u></b>	<b>55</b>
<b><u>Other Compensation Components</u></b>	<b>55</b>
<u>Participation in Retirement and Other Benefit Programs</u>	55
<u>Perquisites and Other Compensation</u>	56
<u>Post-Retirement Arrangements</u>	56
<b><u>Tax Considerations</u></b>	<b>56</b>
<b><u>Conclusion</u></b>	<b>56</b>

**Table of Contents**

Our Compensation Discussion and Analysis, or CD&A, describes our executive compensation philosophy and the 2015 compensation decisions for our executive officers below who are named in our Summary Compensation Table:

<b>Named Executive Officer</b>	<b>Position(1)</b>
John G. Stumpf	Chairman and CEO
Timothy J. Sloan	President and COO
John R. Shrewsberry	Senior Executive Vice President and CFO
David M. Carroll	Senior Executive Vice President, Wealth and Investment Management
Avid Modjtabai	Senior Executive Vice President, Consumer Lending
Carrie L. Tolstedt	Senior Executive Vice President, Community Banking

(1) Prior to November 17, 2015, Mr. Stumpf was Chairman, President and CEO and Mr. Sloan was Senior Executive Vice President, Wholesale Banking.

**2015 Performance and Compensation Overview****2015 Company Performance Highlights**

We generated solid financial results in 2015 despite a challenging interest rate environment, as we continued to benefit from our diversified business model. We grew revenue by 2% from 2014 on stronger net interest income, driven by growth in earning assets. Our mix of revenue remained balanced between net interest income and noninterest income. Although net income was down slightly from 2014, earnings per share increased as we repurchased more shares than we issued. We grew deposits by 5% and loans by 6% from 2014, as we focused on building and maintaining customer relationships while adhering to our credit and other risk management principles. We continued to have strong credit performance, with lower credit losses and nonperforming assets compared with 2014. Our provision for credit losses increased from 2014, reflecting a \$1.1 billion lower reserve release in 2015. We grew capital and liquidity, and for the fifth consecutive year returned more capital to stockholders in dividends and net share repurchases than the prior year. Highlights of our 2015 performance include:

<b>Company</b>	Net income of \$22.9 billion, compared with \$23.1 billion for 2014
<b>Performance</b>	Diluted earnings per share of \$4.12, compared with \$4.10 for 2014
<b>Highlights</b>	Revenue of \$86.1 billion, compared with \$84.3 billion for 2014
	Noninterest expense of \$50.0 billion, compared with \$49.0 billion for 2014
	Return on assets of 1.31%, compared with 1.45% for 2014
	Return on equity of 12.60%, compared with 13.41% for 2014
	Returned \$12.6 billion to stockholders through dividends and net share repurchases
	Strong capital position – Common Equity Tier 1 ratio (fully phased-in) well above the regulatory minimum and our internal buffer
	Efficiency ratio of 58.1%, consistent with 2014
	Loans of \$916.6 billion, compared with \$862.6 billion at year end 2014



Deposits of \$1,223.3 billion, compared with \$1,168.3 billion at year end 2014

Total stockholder return of 1.9%, 19.9%, and 14.7%, respectively, for the 1-, 3- and 5-year periods ended December 31, 2015

## 2015 Compensation Highlights

In deciding 2015 named executive compensation, the HRC continued to be guided by four **compensation principles** that have historically governed its pay decisions for named executives:

1. **Pay for Performance** Link compensation to Company, business line and individual performance so that superior performance results in higher compensation and inferior performance results in lower compensation
2. **Foster Risk Management Culture** Structure compensation to promote a culture of prudent risk management consistent with the Company's Vision and Values
3. **Attract and Retain Top Executive Talent** Offer competitive pay to attract, motivate, and retain industry executives with the skills and experience to drive superior long-term Company performance
4. **Encourage Creation of Long-Term Stockholder Value** Use performance-based long-term stock awards with meaningful and lasting share retention requirements to encourage sustained stockholder value creation

The HRC maintained the overarching compensation structure for our named executives, including the relative balance between annual fixed compensation and annual variable at-risk compensation. The HRC also continued to weight long-term over annual compensation, and equity over cash compensation. Within this framework, the HRC awarded the following primary elements of compensation for 2015: **base salary**, **annual incentive**, and **long-term equity-based incentive**.

**Table of Contents****2015 Compensation Decisions**

During 2015, consistent with our compensation principles and the compensation structure described above, the HRC made the following compensation decisions which are reflected in the chart below and discussed in more detail in this CD&A:

Paid a portion of annual incentives over \$1 million in Restricted Share Rights (RSRs) that vest over three years;

Awarded long-term equity compensation primarily in the form of Performance Shares granted in February 2015 that cliff vest at the end of three years based on Company Return on Realized Common Equity (RORCE) performance during that period; and

Granted additional long-term equity compensation in July 2015 in the form of RSR awards that vest over four years to our named executives, other than our CEO, as part of an overall, balanced mix of competitive pay and to provide an incentive for those executives to continue their strong and effective leadership, following a mid-year evaluation of their compensation and their contributions to the Company's strong performance.

The table below shows the 2015 compensation decisions made by the HRC for each named executive. The table is not a substitute for, and should be read together with, the Summary Compensation Table on page 57 which presents named executive compensation paid, accrued, or awarded for 2015 in accordance with SEC disclosure rules and includes additional compensation elements and other important information.

Named Executive	Base Salary Rate \$(4)	Annual	Long-Term Equity Incentives		Total (\$)
		Incentive Award (\$)	Performance Share Award \$(2)	RSR Award \$(3)	
<b>John G. Stumpf</b>	2,800,000	4,000,000(1)	12,500,000	-	19,300,000
<b>John R. Shrewsberry</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Timothy J. Sloan</b>	2,000,000	1,000,000	6,500,000	1,500,000	11,000,000
<b>David M. Carroll</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Avid Modjtabai</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000
<b>Carrie L. Tolstedt</b>	1,700,000	850,000	5,500,000	1,000,000	9,050,000

(1) A portion of the annual incentive award amount for our CEO was paid in RSRs that vest over three years. See pp. 48-50.

(2) Dollar value on date of grant of 2015 Performance Shares at target. Actual pay delivered or realized for Performance Shares will be determined in the first quarter of 2018 and may range from zero to 150% of the target shares, depending on Company performance. See pp. 53-54.

(3) Dollar value on date of grant of July 2015 RSR grants vesting over four years beginning on the first anniversary of the grant date. See pp. 54-55.

(4) Effective March 6, 2016, the base salary of Mr. Sloan was increased to \$2,400,000 and the base salary of each of Messrs. Shrewsberry and Carroll and Mes. Modjtabai and Tolstedt was increased to \$1,750,000. The increase in base salary for Mr. Sloan reflects his additional responsibilities as President and COO. Mr. Sloan retained his responsibilities as head of Wholesale Banking following his election as President and COO.

Consistent with our pay for performance philosophy and as reflected in the table below, the compensation structure and decisions for our CEO and other named executive officers emphasize variable compensation tied to performance. In addition, the Company's executive compensation program provides a high proportion of pay for our named executives in the form of long-term equity awards that are subject to cancellation upon occurrence of specified performance conditions which discourage excessive risk taking and further align our named executives' and our stockholders' interests in increasing stockholder value over the long-term. Our long-term equity awards are granted primarily in the form of Performance Shares that vest based on achievement of three-year RORCE performance criteria. Percentages below are based on the total in the 2015 Compensation Decisions table above.

	Emphasis on Variable Over Fixed Pay		High Proportion of Pay in Equity	
	Fixed	Variable At-Risk	Cash	Equity(1)
	(Base Salary)	(Annual Incentive and LTI)		
<b>CEO</b>	15%	85%	31%	69%
<b>Other NEO Average</b>	19%	81%	28%	72%

(1) Includes Performance Shares that vest subject to RORCE performance criteria over a three-year performance period, RSRs granted as a portion of the annual incentive award for our CEO that vest over three years, and RSRs granted in July 2015 to named executives, other than our CEO, that vest over four years.

**Table of Contents**

The following table illustrates how our compensation principles were reflected in the HRC's 2015 compensation decisions:

	Pay for	Risk	Attract and Retain Top Executive	Encourage Creation of Long-Term Stockholder Value
	Performance	Management	Talent	
Mix of Base Salary and Annual Incentive Opportunity	ü	ü	ü	ü
High Proportion of Long-Term Compensation At-Risk in Total Mix of Compensation	ü	ü	ü	ü
Granted Primarily Performance Share Awards for Long-Term Compensation	ü	ü	ü	ü
Performance-Based Total Compensation Mix	ü	ü	ü	ü
Compensation-Related Risk Management Policies		ü		ü

**How the HRC Considers Prior Say on Pay Votes and Investor Feedback**

At the Company's 2015 annual meeting, our stockholders approved the advisory resolution on the 2014 compensation of our named executives by 96.7% of shares present at the meeting and entitled to vote on the advisory resolution. The Company, Board and HRC pay careful attention to communications received from our stockholders on executive compensation matters, including the say on pay vote. During 2015, the HRC considered feedback received from our major stockholders on our executive compensation program and disclosures through our investor outreach program and the approval by our stockholders of our say on pay resolution in 2015. That feedback was reflected in the decision to continue to maintain the overarching framework and balance for our named executives' compensation for 2015, but not for specific pay-level decisions.

**Table of Contents**

**2015 Compensation Governance Highlights**

In making 2015 named executive compensation decisions, the HRC:

**Maintained the relative balance between base salary and annual incentive award opportunity** to reduce undue focus on short-term financial performance at the risk of the Company's long-term interests

Capped annual incentive opportunities for the named executives other than the CEO at one times base salary

Determined that the benefits to the Company and stockholders of achieving the appropriate compensation balance outweighed the non-deductibility of salaries and RSR awards granted in July 2015 in excess of IRC Section 162(m) limits

**Maintained a high proportion of total pay in long-term performance-based equity compensation** to align management and stockholder interests in increasing stockholder value over the long-term

Granted long-term equity compensation in Performance Shares that vest based on achievement of three-year RORCE performance criteria (equal to or above a specified threshold performance) relative to peers

§ Three-year vesting period aligns compensation to long-term risk, future performance, and strong risk management practices

§ Three-year RORCE performance metric for 2015 Performance Share awards was chosen as a measure that focuses on long-term stockholder value creation

§ The RORCE performance criteria will be evaluated on both an absolute and relative basis to focus our named executives on managing performance on an absolute basis while balancing risk and removing compensation incentive for executives to take excessive risk to achieve higher returns relative to our peers

Continued to include a second, absolute performance trigger that reduces the target number of Performance Shares by one-third for each year in the three-year performance period the Company incurs a Net Operating Loss (see p. 53)

Granted RSR awards in July 2015 that vest over four years to our named executives, other than our CEO, as part of an overall, balanced mix of competitive pay and to provide an incentive for those executives to continue their strong and effective leadership

To keep equity compensation at risk following retirement, provided for payment over time and subject to performance conditions

**Continued enhancements to strong compensation risk management practices** to

Paid a portion of our CEO's 2015 annual incentive award over \$1 million in RSRs that vest over three years and are subject to the HRC's full discretion to cancel all or a portion of this award upon the occurrence of specified performance-based vesting conditions

discourage imprudent  
short-term risk taking by  
requiring executives to bear the  
long-term risk of their activities

Evaluated the individual performance of named executives based on their focus on appropriate risk management practices to maintain individual accountability for risk outcomes

Maintained the following strong compensation governance practices:

§ Strong recoupment policies for recovery of previously awarded incentive compensation if the payments were based on materially inaccurate financial information or performance criteria

§ Robust stock ownership requirement through one year after retirement

§ Prohibition on hedging and speculative trading in Company stock

§ Prohibition on our directors and executive officers pledging Wells Fargo equity securities in connection with a margin loan or similar transaction

**Table of Contents****Compensation Elements**

The Company's executive compensation program provides a mix of direct cash and equity compensation and participation in Company-sponsored plans that are generally available to other employees. The HRC determines the appropriate mix of direct compensation in its discretion guided by the Company's compensation principles. For 2015, the elements of direct compensation included base salary, annual incentive, and long-term equity incentives in the form of Performance Shares vesting following a three-year performance period and RSRs vesting over four years.

Pay Element	Description/Objectives	Performance Criteria	Vesting Period
<b>Annual Compensation</b>			
Base Salary	Paid in cash  Reflects the executive's experience and level of responsibility	Amount reviewed annually by HRC and subject to adjustment based on changes in responsibilities or competitive market conditions	N/A
Annual Incentive Award	Decreased focus on short-term risk-taking outweighs limits on tax-deductibility Typically paid in cash or a combination of cash and stock with a portion subject to vesting over time  Together with base salary and long-term compensation, intended to be competitive with total compensation for comparable positions and performance at peers  Award decision based on Company, business line and individual performance	Award opportunity and structure reviewed annually by HRC  Threshold performance criteria established annually by the HRC	Payout determined and awarded after end of fiscal year  Based on size of award, a portion may vest over three years
<b>Long-Term Compensation</b>			
Performance Shares	HRC determines final award Convert 1-for-1 into shares of common stock  Align management and stockholder interests  Emphasize performance-based culture  Include dividend equivalents subject to same vesting conditions  Strong retention tool	HRC determines performance criteria  2015 grants tied to Company's RORCE ranking compared with peer group subject to absolute performance levels  2015 grants may vest from zero to 150% of target shares  2015 target shares adjusted downward by 1/3 for each year the Company incurs a Net Operating Loss and are subject to performance-based vesting conditions	Typically at end of 3-year measurement period  Failure to achieve performance targets will reduce award to zero
RSRs	Convert 1-for-1 into shares of common stock  Align management and stockholder interests  Include dividend equivalents subject to same vesting conditions  Strong retention tool	HRC determines vesting criteria; typically time-based and subject to performance-based vesting conditions	Typically vest over 3 to 5 years
Stock Options (not granted to named executives since 2009)	Ten-year term  Exercise price set at closing stock price on date of grant	Share price appreciation	Typically ratably over 3 years

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

*Plans and Programs*

Deferred Compensation	Voluntary	N/A	Compensation deferred into accounts earning a return based on investment options similar to 401(k) Plan
	Provides financial planning opportunity		
	Market returns only for Company-originated plans		
Benefit Programs	Company 401(k) Plan with Company match	Available to all Company employees on the same terms	Executive selects the time of payout
	Company Cash Balance Plan (frozen for future contributions July 2009)		
	Company health insurance, life insurance and severance plans (employees pay certain costs for health insurance and life insurance)		
Perquisites	No employment agreements, severance agreements, or golden parachute agreements <i>De minimis</i>	N/A	N/A



## **Table of Contents**

### **Governance Framework for Compensation Decisions**

In making compensation decisions for named executives, the HRC operates within a governance framework that is guided by our compensation principles. The HRC applies its discretion in taking into account all aspects of our compensation framework when making its compensation decisions. Key components of this compensation governance framework include:

#### **Company Performance**

At the core of the HRC's compensation governance is an analysis of the Company's performance on an absolute basis and relative to peers, reflecting our compensation principles of paying for performance and encouraging the creation of long-term stockholder value. This focus is demonstrated by the HRC's decision to tie long-term incentive compensation to Company performance over time. Further, for the applicable fiscal year, the HRC determines threshold performance measures under our Performance Policy (part of the LTICP), at least one of which must be achieved for annual incentives to be paid to named executives. Failure to achieve a threshold performance goal eliminates any annual incentive pay for the named executives. Upon satisfaction of a threshold performance goal, each named executive may be awarded under the Performance Policy a maximum amount of incentive compensation of 0.2% of the Company's net income, as adjusted for certain items, or such lesser amount as the HRC determines in its discretion. However, even if one or more threshold performance goals are satisfied, the Company may not pay annual incentive awards to named executives if the Company does not have positive net income. As described below in HRC Discretion, the HRC retains discretion to adjust the actual incentive award downward to zero. In addition, the HRC evaluates the Company's risk management performance in order to assess the quality of the Company's financial performance. As part of that review, the HRC receives input from the Company's Chief Risk Officer on the Company's risk management performance. The HRC may also review other Company performance and risk measures in making its decisions on annual incentive compensation, including Company performance relative to the Financial Performance Peer Group.

#### **Peer Group Analysis**

Reflecting our compensation principles of paying for performance and attracting and retaining top executive talent, the HRC uses Peer Group data to inform its decisions regarding the compensation of named executives. The HRC periodically reviews and may adjust the Peer Groups as part of its regular review of executive compensation pay and pay practices in connection with future compensation decisions. For 2015, the HRC continued to use two separate (although overlapping) Peer Groups: (1) the Financial Performance Peer Group, which is a subset of the KBW Bank Sector Index and consists of 11 financial services companies that best match the Company in scope, scale, business model/mix and geography and that the Company most directly competes with for financial capital and customers, and (2) the Labor Market Peer Group, which consists of 10 companies that the Company most directly competes with for executive talent.

The HRC used the Financial Performance Peer Group to:

compare the Company's relative overall financial performance, including for consideration of annual incentive awards;

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

set and measure the RORCE performance goal under the Performance Policy for purposes of Section 162(m) tax deductibility; and

set and measure the RORCE performance for vesting of long-term Performance Share awards.

The HRC used the Labor Market Peer Group to evaluate overall pay levels and compensation mix for named executives and to gauge the competitiveness of the Company's pay practices.

**Table of Contents**

The members of the two Peer Groups are:

<b>Financial Performance Peer Group</b>	<b>Labor Market Peer Group</b>
Bank of America Corporation	American Express Company
BB&T Corporation	Bank of America Corporation
Capital One Corporation	The Bank of New York Mellon Corporation
Citigroup Inc.	Citigroup Inc.
Fifth Third Bancorp	The Goldman Sachs Group, Inc.
JPMorgan Chase & Co.	JPMorgan Chase & Co.
KeyCorp	Morgan Stanley
The PNC Financial Services Group, Inc.	The PNC Financial Services Group, Inc.
Regions Financial Corporation	State Street Corporation
SunTrust Banks, Inc.	U.S. Bancorp, Inc.
U.S. Bancorp, Inc.	

**Financial Performance Peer Group.** For 2015, the HRC compared the Company's financial performance with the Financial Performance Peer Group based on a number of measures commonly used for analyzing financial services companies, including those relating to:

profitability, including earnings per share, revenue, net interest margin, efficiency ratio, operating leverage and pre-tax pre-provision income;

stockholder returns, including return on average common equity, RORCE, total stockholder return, and price-earnings ratio;

balance sheet size and composition, including average total deposits, retail deposit market share, and average loans;

credit quality, including nonperforming assets ratios; and

capital ratios, including regulatory capital ratios.

The HRC does not have a pre-established formula to determine which financial measures may be more or less important in evaluating the Company's performance. In addition, then-current circumstances may impact the importance of some measures relative to others. For example, credit-related performance measures may be considered more relevant during times of economic stress than during other periods, revenue-related performance measures may be more relevant during times of economic growth, and productivity measures such as efficiency ratio, return on equity or return on assets may be more relevant during periods of slower economic growth. The HRC relies on the combined judgments of its members in evaluating the Company's performance compared with the Financial Performance Peer Group. The HRC then makes its own judgment about the Company's overall actual performance.

**Labor Market Peer Group.** In considering the 2015 compensation actions for named executives, as well as to track competitive pay levels and trends generally, the HRC reviewed compensation data for the Labor Market Peer Group. The Labor Market Peer Group companies provide the basis for our competitive compensation comparisons that the HRC considers in establishing the total compensation opportunities for our named executives. In making its compensation decisions, the HRC reviewed total compensation levels for the Labor Market Peer Group, including at the estimated median and 75<sup>th</sup> percentile. Total compensation, including long-term compensation, is intended to be competitive with total compensation for comparable positions and performance at peers.

## Business Line Performance

Each of Messrs. Carroll and Sloan and Ms. Modjtabei and Tolstedt has business line performance goals for the businesses they manage. Consideration of business line performance reflects all four of our compensation principles. In determining annual incentive awards for named executives with business line responsibilities, the HRC considers business line financial results for the applicable executive taking into account not only the business line's performance and its contribution to the Company's overall performance, but also the quality of those results (e.g., risks taken to achieve the results, both in terms of risk outcomes and forward-looking measures of risk) and the difficulty of achieving those results (e.g., economic, business, and regulatory conditions). Success or failure at achieving strategic business line objectives, including business line financial results, is factored into the HRC's executive compensation decisions for these business line leaders. However, the HRC does not base incentive compensation decisions for these named executives solely on

## **Table of Contents**

business line performance; the HRC believes they must also have a significant stake in the Company's overall performance to encourage collaboration among business lines and as a check against unnecessary or excessive risk-taking at the individual business line level. Because of differences in organizational structure and external business segment reporting, our business lines rarely correspond perfectly to the business lines of Peer Group members. Therefore, the HRC does not compare business unit financial performance with the Financial Performance Peer Group. The HRC may consider the effects of acquisitions, divestitures, internal reorganizations or other changes in reporting relationships during the year. Although the HRC considers a business line's financial results, achievement of specific business line performance goals may not be material in the context of the executive compensation decisions for these named executives. Business line performance goals nonetheless serve valuable additional purposes for the Company, including resource allocation, capital planning and general strategic business direction.

## **Individual Performance**

The HRC considers the individual performance of the Company's named executives, both as part of an annual assessment and in the Board's year-round interactions with them. The HRC annually reviews the CEO's achievement of individual qualitative objectives and the CEO's assessment of each of our other named executives as part of overall executive compensation decision-making. These objectives include compliance with our policies on information security, regulatory compliance, risk management accountability and diversity and inclusion objectives, as well as objectives appropriate for each executive's position and responsibilities. For qualitative performance objectives, including diversity and inclusion goals, the HRC exercises its judgment and discretion in assessing performance. For 2015, the HRC continued to evaluate the performance of each of our named executives based on their focus on appropriate risk management practices and outcomes. The HRC may adjust or eliminate incentive compensation awards, regardless of achieving applicable financial performance goals or individual qualitative objectives, if the HRC determines that a named executive has failed to comply with our Code of Ethics and Business Conduct or with our policies on information security, regulatory compliance, and risk management or does not meet qualitative individual performance goals related to diversity and inclusion. Consideration of individual performance reflects all four of our compensation principles.

Our CEO assists the HRC in evaluating performance for those executive officers who reported to him during the year, providing his assessment of each officer's individual performance, as well as his perspective on his individual performance, the Company's overall performance and the contributions of each business line to Company performance. Our COO provides input to the CEO on the individual performance of those executive officers who reported to him during the year. Our CEO makes compensation recommendations to the HRC for these executives. The HRC makes its own determinations regarding our CEO's individual performance and compensation with input from non-management members of the Board who ratify and approve the CEO's compensation.

## **Independent Compensation Consultant Advice**

To establish a framework for evaluating the competitiveness of 2015 compensation for our named executives, the HRC reviewed data compiled by Cook & Co., the HRC's independent compensation consultant. This data included annual salary, annual incentive, long-term equity, and total compensation amounts for Labor Market Peer Group named executive officers. This compensation data was ranked within the Labor Market Peer Group by the aggregate amount of base salary, annual target and actual incentive awards, plus the annualized grant date value of long-term cash and equity compensation. The HRC also reviewed Cook & Co.'s calculations (excluding the Company) of the bottom quartile, average, median, and top-quartile amounts for each of these pay components as well as for total compensation. The HRC used this compensation information, together with any reported changes in Labor Market Peer Group compensation, to help develop a framework for evaluating the competitiveness of 2015 compensation for our named executives. The HRC's use of the independent compensation consultant reflects the compensation principles of attracting and retaining highly qualified individuals with competitive compensation and paying for performance.

Cook & Co. also advises the HRC on the appropriateness of the Company's executive pay philosophy and compensation principles, Peer Group selection and general executive compensation program design. Cook & Co. is retained by the HRC and does no other work for the Company or

management other than to provide consulting services to the GNC and Board that are directly related to executive and non-employee director compensation.

**Table of Contents**

**Risk Management**

The HRC's compensation governance framework also includes assessments of risks inherent in executive compensation practices, including the interplay between risk-taking and executive compensation. These risk management assessments involve a number of senior executives from the Company's risk management, human resources, legal, and compliance functions. The Company has taken specific actions as a result of continued risk management assessments to strengthen the governance of our executive compensation practices, as described in the chart below.

See also *Executive Compensation Compensation Governance and Risk Management*.

46 Wells Fargo & Company 2016 Proxy Statement

## **Table of Contents**

The ongoing evaluation and enhancement of our compensation-related risk management practices reflects the compensation principles of risk management, aligning management interests with stockholders' interests, and paying for performance.

### **HRC Discretion**

The final element in our compensation governance framework is the HRC's exercise of business judgment and discretion to make compensation decisions for our named executives after taking into account all other aspects of our framework. There are certain situations where the HRC has no discretion to award incentive compensation; for example, if a performance goal required for payment of incentive compensation under our Performance Policy is not met. However, if a threshold performance goal under our Performance Policy is satisfied, the HRC has discretion to decline to make awards or to award less than the maximum amount under the Performance Policy, if in the exercise of its business judgment the HRC determines it to be in the best interests of stockholders. The HRC also has discretion to pay some or all of annual incentive awards in stock instead of cash and/or to provide for vesting and payment of the awards over time.

The HRC believes that compensation opportunities and its compensation decisions should reflect Company, business line and individual performance, and that our compensation governance framework provides a reliable and structured approach for making pay decisions. The HRC also believes that use of rigid formulas may not always provide the best results for stockholders; therefore, it takes into account all of the factors in our framework when making its compensation decisions. As a result, the HRC uses its discretion to make award decisions for our named executives. For example, the HRC may use its discretion to make an award to a named executive even if the executive's business line has not achieved its financial performance goals, if the Company overall has performed at superior levels and the HRC determines an award is appropriate based on its evaluation of individual and other performance factors. Conversely, the HRC may use its discretion to reduce an incentive award to a named executive whose business line has underperformed on its objectives, despite the Company's overall performance or where a named executive has underperformed on individual performance objectives, including diversity and inclusion goals or risk management, despite the Company's or business line performance. In determining incentive awards, the HRC may also consider changes in economic conditions or other relevant factors during the fiscal year that may have affected Company or business line performance.

### **Clawback and Recoupment Policies and Provisions**

Wells Fargo has strong recoupment and clawback policies in place designed so that incentive compensation awards to our named executives encourage the creation of long-term, sustainable performance, while at the same time discourage our executives from taking imprudent or excessive risks that would adversely impact the Company. The Company has multiple recoupment or clawback policies and provisions in place that are applicable to our executive officers.

<b>Policy/Provision</b>	<b>Trigger for Clawback or Recoupment</b>	<b>Compensation</b>	<b>Impacted</b>
		<b>Subject to Recovery</b>	<b>Population</b>
<b>Unearned Compensation Recoupment Policy</b>	Misconduct by an executive that contributes to the Company having to restate all or a significant portion of its financial statements	Any bonus or incentive compensation that was based on achievement of financial results that were restated downward	Executive Officers
<b>Extended Clawback Policy</b>	Incentive compensation was based on materially inaccurate financial information, whether or not the executive was responsible	Incentive compensation that was based on materially inaccurate financial information	Executive Officers and certain other highly compensated employees



Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

**Performance-Based  
Vesting Conditions**

Misconduct which has or might reasonably be expected to have reputational or other harm to the Company or any conduct that constitutes a cause,

Misconduct or commission of a material error that causes or might be reasonably expected to cause significant financial or reputational harm to the Company or the executive's business group,

Improper or grossly negligent failure, including in a supervisory capacity, to identify, escalate, monitor or manage, in a

RSR awards and Performance Share awards granted to our named executives are subject to cancellation if the HRC determines that a trigger event has occurred

Executive Officers

Other team members in receipt of RSRs as part of annual incentive/bonus awards

**Table of Contents**

<b>Policy/Provision</b>	<b>Trigger for Clawback or Recoupment</b>	<b>Compensation Subject to Recovery</b>	<b>Impacted Population</b>
	<p>timely manner and as reasonably expected, risks material to the Company or the executive's business group,</p> <p>An award was based on materially inaccurate performance metrics, whether or not the executive was responsible for the inaccuracy, or</p> <p>The Company or the executive's business group suffers a material downturn in financial performance or suffers a material failure of risk management</p>		
<b>Clawback Provisions included in All Equity-Based Awards</b>	<p>In accordance with the terms of any recoupment or clawback policy or requirement from time to time maintained by Wells Fargo or required by law, as set forth in award agreements for equity-based compensation grants since 2009. The LTICP also provides that awards are subject to any Company recoupment policy or any recoupment requirement imposed under applicable laws</p>	<p>All equity awards granted under the LTICP, whether vested or unvested, for which the applicable Company clawback or recoupment policy or legal requirement is triggered</p>	<p>All team members who receive Wells Fargo equity awards under the LTICP</p>

If the Board or HRC determines to clawback or recoup compensation following a determination that a senior executive has engaged in misconduct, including in a supervisory capacity, that results in significant financial or reputational harm to the Company or in a material financial restatement, the Board or HRC will determine whether and to what extent public disclosure of information regarding such clawback or recoupment, including the amount of compensation and the executive(s) impacted, is appropriate, subject to applicable legal and contractual restrictions, including privacy laws.

**2015 Compensation Decisions for Named Executives**

The HRC took the compensation actions described below for the named executives in 2015. The HRC's decision-making was conducted within the compensation governance framework described above.

**2015 Annual Base Salaries**

The HRC recalibrated executive officer base salaries and target and maximum payouts for annual incentive compensation in early 2010 as a result of its re-evaluation of the appropriate compensation structure for the Company's executive officers. In setting base salaries at higher than pre-financial crisis levels and reducing target and maximum annual incentive compensation opportunities from pre-financial crisis levels, the HRC sought to achieve a better balance between fixed and variable annual compensation to reduce the focus on short-term performance and the potential related risks. The base salaries for the named executives are paid entirely in cash.

No changes were made to named executives' base salaries during 2015. Effective March 6, 2016, the base salary of Mr. Sloan was increased to \$2,400,000 and the base salary of each of Messrs. Shrewsberry and Carroll and Meses. Modjtabai and Tolstedt was increased to \$1,750,000. The increase in base salary for Mr. Sloan reflects his additional responsibilities as President and COO. Mr. Sloan retained his responsibilities as head of Wholesale Banking following his election as President and COO.

## 2015 Annual Incentive Compensation

In accordance with Section 162(m) and the Performance Policy, the HRC established two alternative Performance Policy goals as a precondition to any 2015 annual incentive awards for our named executives:

### **Corporate Financial Objectives Under Performance Policy**

(1) EPS of at least \$3.00 or (2) RORCE of at least the median of the Financial Performance Peer Group

The Company's actual results exceeded both of these Performance Policy goals for 2015 with EPS of \$4.12 and RORCE of 12.8%, which is above the median RORCE in the Financial Performance Peer Group (8.4%). As a result, the 2015 annual incentive awards paid to the named executives are expected to be deductible under Section 162(m). In addition, satisfaction of the Performance Policy goals gave the HRC the authority under the Performance Policy to award maximum 2015 incentive compensation of up to \$45.8 million for each named executive (i.e., based on 0.2% of the Company's 2015 net income of \$22.9 billion), or such lesser amount as the HRC in its discretion determines.

**Table of Contents**

In considering annual incentive compensation for the named executives and in exercising its discretion to pay less than the maximum permitted by the Performance Policy, the HRC established target and maximum incentive award opportunities of 50% and 100% of base salary, respectively, for the named executives other than Mr. Stumpf. The HRC did not establish a pre-determined target and maximum opportunity for Mr. Stumpf to retain greater discretion in determining his annual incentive award. The HRC established qualitative performance objectives for Mr. Stumpf regarding strategic leadership, financial discipline, culture, risk management and accountability, talent development, succession planning, and his role in driving and leading our efforts to build and sustain a diverse and inclusive culture, articulating the Company's mission, strategic vision and accomplishments to stakeholders, and offering national leadership on relevant Company and industry issues.

In determining 2015 annual incentive awards for the named executives, the HRC considered information pertaining to the factors described above under Governance Framework for Compensation Decisions. Other than achievement of one of the alternative Performance Policy goals, no single factor was considered to be more important than others in the HRC's decision-making process. In addition, although the HRC reviewed compensation data for similarly situated executives in the Labor Market Peer Group to assess the competitiveness of the Company's overall pay and compensation mix, it did not make a separate preliminary determination of an annual incentive award amount and then adjust it to reflect the Labor Market Peer Group data.

The HRC determined to pay a portion of any 2015 annual incentive award over \$1 million in RSRs that vest ratably over three years. The HRC structured the payment in this manner to properly balance growth initiatives and appropriate risk-taking, and to be consistent with the Company's increased emphasis on long-term incentives as opposed to short-term cash payouts. The HRC also believes the payment of a portion of our CEO's annual incentive award over \$1 million in the form of an RSR award that vests over time and is subject to performance-based vesting conditions, as well our stock ownership policy, helps mitigate risks inherent in annual incentive compensation.

*2015 Annual Incentive Compensation Decisions for Individual Named Executive Officers.*

**John G. Stumpf, Chairman and CEO**

**Individual Performance.** In making the 2015 annual incentive compensation award determination for Mr. Stumpf, the HRC considered, among other factors:

i Company Financial Performance

the Company's 2015 net income of \$22.9 billion, diluted EPS of \$4.12, and RORCE of 12.8%;

the Company's relative performance compared with the Financial Performance Peer Group in the financial metrics discussed above under Governance Framework for Compensation Decisions Peer Group Analysis Financial Performance Peer Group;

the Company's relative performance compared with the Financial Performance Peer Group in

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

1-, 3-, and 5-year return on average common equity (ROE),

1-, 3-, and 5-year RORCE, and

1-, 3-, and 5-year total stockholder return;

the Company's continued strong credit performance, with credit losses and nonperforming assets down 2% and 17%, respectively, from 2014;

the Company's return of \$12.6 billion to stockholders in dividends and net share repurchases, the fifth consecutive year of returning more capital to stockholders than the prior year; and

the Company's strong capital position, with a Common Equity Tier 1 ratio at year end well above the regulatory minimum and our internal buffer.

i Strategic Priorities the Company's progress on key strategic priorities, including

building and maintaining enduring relationships with our customers in furtherance of our vision to satisfy their financial needs and help them succeed financially, as reflected by

total loans and total deposits up 6% and 5%, respectively, from 2014,

primary consumer, small business and business banking checking customers up from 2014, and

**Table of Contents**

most U.S. Small Business Administration 7(a) loans both in number of loans and dollars;

growing revenue, as reflected by

total revenue of \$86.1 billion, up 2% from 2014, on a balanced mix of net interest income (53%) and noninterest income (47%), and

continued ability of our diversified business model to perform consistently across business cycles;

managing risk, as reflected by

reinforcing a culture of risk management and accountability across the Company,

continued investments in risk management and information security, and

continued progress addressing increasing regulatory reform and oversight;

managing expenses, as reflected by

efficiency ratio of 58.1%, consistent with 2014, and within our target range, and

positive operating leverage as revenue growth slightly outpaced expense growth (2.0% vs. 1.9%);

connecting with communities, as reflected by

ranked by United Way Worldwide as largest workplace-giving campaign in the U.S. for the 7<sup>th</sup> consecutive year, with Wells Fargo team members in 2015 contributing \$98.8 million to charities, community groups, schools and other nonprofits, and

one of the top corporate cash donors among U.S. companies in 2015; and

living our Vision and Values, as reflected by continued progress on diversity and inclusion initiatives focused on supplier diversity, service of more diverse markets, team member diversity, and advocacy which includes education, team member participation, and mentoring.

i Leadership Mr. Stumpf's continued strong and effective leadership, as reflected by

his success in instilling and reinforcing our Vision and Values and risk culture and our progress in achieving key long-term Company strategic goals such as:

strengthening our balance sheet and maintaining a strong capital position to support future growth while returning more capital to our stockholders,

reducing our risk profile through effective management of operational, credit, and other key risks,

strategically positioning the Company to take advantage of revenue opportunities in existing and new businesses while managing our expenses by serving customers better and more efficiently, and

communicating the Company's mission, strategic vision, and values to our team members, investors, communities, and other stakeholders; and

his development and mentoring of current and next generation leaders with the vision, passion, and skill to carry on the Company's mission and preserve its culture, including Mr. Sloan who the Board elected in November 2015 as our President and Chief Operating Officer.

i The compensation of chief executive officers in the Labor Market Peer Group.

**Annual Incentive Award Decision.** Upon consideration of Mr. Stumpf's performance, including the factors set forth above, the HRC approved and the Board ratified a 2015 annual incentive compensation award for Mr. Stumpf of \$4,000,000. The HRC also determined to pay \$833,333 of Mr. Stumpf's 2015 annual incentive award in RSRs that vest ratably over three years.

50 Wells Fargo & Company 2016 Proxy Statement

---

## **Table of Contents**

### **John R. Shrewsberry, Senior Executive Vice President and CFO**

**Individual Performance.** In making the 2015 annual incentive compensation award determination for Mr. Shrewsberry, the HRC considered, among other things, the following:

the factors cited above for Mr. Stumpf under Company Financial Performance and Strategic Priorities ;

compensation of chief financial officers in the Labor Market Peer Group; and

the recommendations of Mr. Stumpf based on his assessment of Mr. Shrewsberry's 2015 performance.

As CFO, Mr. Shrewsberry is responsible for the Company's financial planning and financial risk management and for its relations with the investment community. In 2015, he played an integral part in the Company's achievement of 2015 financial priorities, including submitting a successful capital plan as part of the Comprehensive Capital Analysis and Review, strengthening the Company's capital and liquidity, which ended 2015 at record levels, positioning the Company for different interest rate environments, returning more capital to stockholders, realizing efficiency opportunities, and maintaining strong financial controls. He is a primary spokesman for the Company with investors, the media and the investment community, and his efforts continue to enhance the Company's reputation with those audiences.

**Annual Incentive Award Decision.** Upon consideration of Mr. Shrewsberry's performance, including the factors set forth above, the HRC approved a 2015 annual incentive compensation award for Mr. Shrewsberry of \$850,000.

### **Business Line Leaders**

In making the 2015 annual incentive compensation award determinations for Messrs. Carroll and Sloan, and Mses. Modjtabai and Tolstedt, the HRC considered, among other things, the following:

i the factors cited above for Mr. Stumpf under Company Financial Performance and Strategic Priorities ;

i compensation of similarly situated executives in the Labor Market Peer Group, where such information was available;

i the recommendations of Mr. Stumpf based on his assessment of their respective 2015 performance; and

i success in achieving strategic objectives in the business lines for which each is responsible as discussed below, including:

success in furthering the Company's objectives of creating deep and enduring relationships with our customers by understanding their needs and delivering the most relevant products, service and guidance,



reinforcing a strong risk culture and continuing to strengthen risk management practices in our businesses,

continued focus on expense control and realization of efficiency initiatives, and

progress on diversity and inclusion initiatives; and

i each executive's ability to operate as a member of a team.

In determining the annual incentive awards for 2015, the HRC also considered each named executive's success against his or her objectives for 2015, which included the financial performance of his or her respective business line and a risk and other qualitative assessment of how those results were achieved. The HRC reviewed financial performance overall, as discussed under *Business Line Performance* above, for named executives with business line responsibilities but did not determine annual incentive compensation for those named executives or adjust their annual incentive compensation based on whether specific business line numerical financial targets were achieved and, therefore, specific business line numerical financial targets were not material in the context of 2015 annual incentive award decisions for these named executives. Consistent with the process described above in *Governance Framework for Compensation Decisions*, the HRC, in its discretion, considered business line financial results not in isolation or with a predetermined or set importance or weight, but rather holistically, in the context of the business line's contribution to the Company's overall financial performance, the difficulty of achieving the results in the particular economic, regulatory or strategic environment, the quality of the results from a risk management perspective, and the degree of collaboration and teamwork among business lines.

Additionally, the HRC has structured a majority of the total pay for these named executives to be provided in Performance Shares rather than annual incentive compensation. The HRC believes this compensation design is appropriate given the Company's diversified business model, and a desired focus on teamwork and the long-term performance of the Company as a whole, as opposed to short-term financial results from annual individual business line performance.

**Table of Contents****David M. Carroll, Senior Executive Vice President (Wealth and Investment Management)**

**Individual Performance.** In addition to the factors outlined above, Mr. Carroll led the Wealth and Investment Management ( WIM ) (formerly Wealth, Brokerage and Retirement) businesses to achieve net income of \$2.3 billion in 2015, up 12% from 2014, on revenue growth of 3% in 2015. Under his leadership, WIM achieved a number of important strategic objectives, including continued net customer asset inflows in Retail Brokerage, as well as growth in loan balances and deposits. WIM continued to leverage its partnership with Community Banking to provide brokerage and wealth management services to our retail bank customers.

**Annual Incentive Award Decision.** Upon consideration of Mr. Carroll s performance, including the factors set forth above, the HRC approved a 2015 annual incentive compensation award for Mr. Carroll of \$850,000.

**Avid Modjtabei, Senior Executive Vice President (Consumer Lending)**

**Individual Performance.** In addition to the factors outlined above, Ms. Modjtabei led Consumer Lending, which combined with Community Banking, achieved net income of \$13.5 billion in 2015, down from \$13.7 billion in 2014. Under Ms. Modjtabei s leadership, in 2015 Consumer Lending originated \$213 billion of residential mortgages, up 22% from 2014, and a record \$31 billion of auto loans. Credit card penetration in retail banking households rose to 43.4%, from 41.5% in 2014. Consumer Lending continued to effectively manage the Company s consumer credit exposure through improved credit quality in our consumer real estate portfolios and continued reduction of our non-strategic/liquidating consumer credit portfolios.

**Annual Incentive Award Decision.** Upon consideration of Ms. Modjtabei s performance, including the factors set forth above, the HRC approved a 2015 annual incentive compensation award for Ms. Modjtabei of \$850,000.

**Timothy J. Sloan, President and COO (and Head of Wholesale Banking)**

**Individual Performance.** In addition to the factors outlined above, under Mr. Sloan s leadership, Wholesale Banking had net income of \$8.2 billion in 2015, flat compared with 2014. Revenue increased by 2%, to \$25.9 billion, on growth in a number of businesses, including treasury management, asset-backed finance, principal investing, commercial real estate brokerage, multi-family capital, reinsurance and municipal products. In 2015 Wholesale Banking increased deposits and had broad-based loan growth across many businesses while continuing to adhere to the Company s credit risk discipline.

On November 17, 2015, Mr. Sloan was elected by the Board as the Company s President and Chief Operating Officer, assuming organizational responsibility for our business lines, in addition to continuing to serve as head of Wholesale Banking. Mr. Sloan has provided strong and effective strategic, operational and financial leadership prior to and following his election as COO. The Board believes his leadership will continue to be critical to achieving the Company s strategic priorities.

**Annual Incentive Award Decision.** Upon consideration of Mr. Sloan s performance, including the factors set forth above, the HRC approved a 2015 annual incentive compensation award for Mr. Sloan of \$1,000,000.

**Carrie L. Tolstedt, Senior Executive Vice President (Community Banking)**

**Individual Performance.** In addition to the factors outlined above, Ms. Tolstedt led Community Banking, which combined with Consumer Lending and other business lines, achieved net income of \$13.5 billion in 2015, down from \$13.7 billion in 2014. Under her leadership, Community Banking achieved a number of strategic objectives, including record deposit levels reflecting continued growth in primary checking customers, and continued success in increasing online and mobile banking customers. In 2015 Wells Fargo was the number one Small Business Administration 7(a) lender both in number of loans and dollar volume in the U.S.

**Annual Incentive Award Decision.** Upon consideration of Ms. Tolstedt s performance, including the factors set forth above, the HRC approved a 2015 annual incentive compensation award for Ms. Tolstedt of \$850,000.

**2015 Long-Term Incentive Compensation**

As discussed below, the HRC awarded long-term incentive compensation under the LTICP in the form of Performance Shares granted in February 2015 to all named executives and RSRs granted in July 2015 to all named executives except Mr. Stumpf.

52 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents**

**2015 Performance Share Awards.** Similar to its approach since 2010, the HRC chose to grant 2015 long-term incentive compensation to named executives primarily in the form of Performance Shares, as follows:

Named Executive	Target Number of Performance Shares Granted (subject to Net Operating Loss reduction)	Number of Performance Shares that May be Earned Based on RORCE Performance Criteria
John G. Stumpf	225,755	
John R. Shrewsberry	99,332	
Timothy J. Sloan	117,393	
David M. Carroll	99,332	
Avid Modjtabai	99,332	
Carrie L. Tolstedt	99,332	

0 150% of Target Performance Shares Granted, plus dividend equivalents reinvested during the vesting period

Each Performance Share entitles the holder to receive one share of Company common stock upon vesting plus dividend equivalents on the final number of earned and vested Performance Shares reinvested as additional Performance Shares from the date of grant, subject to the same vesting terms. The 2015 Performance Share awards are scheduled to vest in the first quarter of 2018 based on the average of the Company's RORCE over the three-year performance period ending December 31, 2017 relative to the Financial Performance Peer Group subject to absolute performance levels, with the final number of earned and vested Performance Shares subject to adjustment upward (to a maximum of 150% of the original target number granted) or downward to zero. In addition, for any year in the three-year performance period that the Company incurs a Net Operating Loss (NOL)<sup>2</sup>, the target number of Performance Shares will be reduced by one-third.

- Absolute Performance Measure:** If the Company's 3-Year Average RORCE is equal to or greater than the specified maximum absolute performance level, the 2015 Performance Share award would result in vesting at maximum. If the Company's 3-Year Average RORCE is below the threshold absolute performance level, then the award would result in no payout (no award vests for less than threshold performance).

**If Company RORCE is:**

Average 3-year RORCE is less than 2%  
Average 3-year RORCE is greater than or equal to 15%

**Then, Award % Vesting of Original Grant Value is:**

Does not vest  
150% x NOL Adjusted Target Award Number (subject to Net Operating Loss Adjustment and Performance-Based Vesting Conditions)

- Relative Performance Measure:** If the Company's 3-Year Average RORCE is less than 15%, but equal to or greater than 2%, the 2015 Performance Share award would vest based on the Company's relative performance among the companies in the Financial Performance Peer Group.

If the Company's Return on Realized Common Equity Ranking is:	Final Award Number %*	Final Award Number of Performance Shares*
Top Quartile Ranking of 75% or more	150%	150% x NOL Adjusted Target Award Number
Second Quartile Ranking of 50% or more	100% to < 150%	100% to < 150% x NOL Adjusted Target Award Number
Third Quartile Ranking of 25% or more	50% to < 100%	50% to < 100% x NOL Adjusted Target Award Number
Bottom Quartile Ranking below 25%	0% to < 50%, provided not lowest ranked	0% to < 50% x NOL Adjusted Target Award Number

\* Final award number and percentage vesting are interpolated on a straight-line basis based on actual level of performance in each quartile.

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

<sup>1</sup> Return on Realized Common Equity or RORCE, as defined in the LTICP, means the net income of the Company as reported in its consolidated financial statements (and subject to possible adjustments as specified in the LTICP), on an annualized basis less dividends accrued on outstanding preferred stock, divided by the Company's average total common equity excluding average accumulated comprehensive income as reported in the Company's consolidated financial statements for the relevant Performance Period.

<sup>2</sup> For purposes of the Performance Share awards, Net Operating Loss means for any year in the performance period a loss that results from adjusting a net loss as reported in the Company's consolidated financial statements to eliminate the effect of the following items, each determined based on generally accepted accounting principles: (1) losses resulting from discontinued operations; (2) extraordinary losses; (3) the cumulative effect of changes in generally accepted accounting principles; and (4) any other unusual or infrequent loss which is separately identified and quantified.

**Table of Contents**

In granting the 2015 Performance Shares and establishing their terms, the HRC considered the appropriateness of this award structure in the context of multiple factors including applicable regulatory guidance, the quality of the Company's performance from a risk management perspective, and the need for continued leadership by the named executives over the three-year performance period. The HRC structured the vesting and the variability of the final award number of Performance Shares as an incentive and reward for these named executives to achieve continued superior financial performance, while managing risk appropriately, for the Company and its stockholders through the entire vesting period. The HRC continued to include the downward NOL adjustment to reduce the target number of Performance Shares in the event of poor absolute Company performance. Since 2013 the HRC has incorporated additional performance-based vesting conditions in Performance Share awards granted to our named executives to further balance risk and incent our executives to focus on long-term rather than short-term performance in a manner consistent with appropriate risk management practices and outcomes. The HRC has full discretion to cancel all or a portion of these Performance Share awards upon the occurrence of the specified performance-based vesting conditions, which are set forth in the chart on pages 47-48.

The HRC determined a dollar value of the Performance Share grants, taking into account individual experience and responsibilities, to provide an opportunity to realize variable compensation commensurate with performance and with the intention that total compensation be competitive with total compensation for comparable positions and performance at peers. The target dollar value of each executive's Performance Share grant was converted to a number of shares of Company common stock using the closing stock price on the grant date.

Consistent with our stock ownership policy, and as a condition to receiving the Performance Share awards, each named executive has agreed to hold, while employed by the Company and for at least one year after retirement, shares of our common stock equal to at least 50% of the after-tax shares (assuming a 50% tax rate) acquired upon exercise or vesting of equity awards. This holding restriction is intended to align the named executives' interests with stockholders' interests over the long-term and to mitigate compensation-related risk.

The HRC believes that Performance Shares closely align management's interests with stockholders' interests. The HRC also believes that the risks to management of forfeiting all or a significant portion of the Performance Share awards is an effective performance incentive, and the ability for management to earn additional Performance Shares for superior Company performance during the performance period provides a significant retention and motivational reward to the named executives. The HRC believes that the Performance Share grants reinforce all four of the Company's compensation principles.

**Why Three-Year RORCE****is appropriate as our****performance metric for****Performance Share Awards**

It focuses on long-term stockholder value creation

It reflects our objective to achieve profitability with strong capital levels, capturing the importance of both performance and risk management

It measures the return generated on our stockholders' investment

It is a profitability goal that can be accurately compared with the Financial Performance Peer Group

It has been approved by stockholders in the LTICP and so reflects our intent that the awards be tax-deductible under IRC Section 162(m)

*July 2015 RSR Awards.* In July 2015 the named executives other than Mr. Stumpf were awarded the following RSRs:

Named Executive	Number of RSRs Granted	Vesting Criteria
John R. Shrewsberry	17,422	Annual pro-rata vesting over four years, subject to cancellation in the HRC's discretion upon the occurrence of performance-based vesting conditions.
Timothy J. Sloan	26,133	
David M. Carroll	17,422	
Avid Modjtabai	17,422	
Carrie L. Tolstedt	17,422	

The HRC granted these RSRs following a mid-year evaluation of the senior executives' compensation and contributions to the Company's strong performance as part of an overall, balanced mix of competitive pay and to provide an incentive for those executives to continue their strong and effective leadership, consistent with the Company's compensation principles to pay for performance, to attract, retain, and motivate top executive talent, and to encourage the creation of long-term stockholder value.

The RSR awards will vest in equal installments over four years beginning on the first anniversary of the grant date and, similar to the Performance Shares and RSRs granted as a portion of annual incentive awards, are subject to the stock

**Table of Contents**

ownership requirements described above and to cancellation in the HRC’s discretion upon the occurrence of the performance-based vesting conditions described in the chart on pages 47-48.

**Long-Term Incentive Compensation Program**

Performance Shares have been the key component of our long-term incentive compensation program for named executives since 2009, serving a number of purposes, including linking the pay of our named executives to the long-term performance of our Company. The main features of the four Performance Share awards that our named executives had outstanding in 2015 and the amounts earned for a performance period ending in 2015 are summarized below:

Performance Period	Performance Measure	Performance Measure Levels and Percentage of Target Performance Shares Earned <sup>1</sup> based on Future Performance	Performance Shares Earned
Performance Shares granted February 2012 (2012-2014)	Average RORCE relative to Financial Performance Peer Group  Subject to downward adjustment by 1/3 for each year the Company incurs a Net Operating Loss	<b>RORCE rank <sup>3</sup> 75% of peers - 150%<sup>2</sup> of target</b>  <b>RORCE rank between 50% and 75% of peers - 100% to 150%<sup>2</sup> of target</b>  <b>RORCE rank between 25% and 50% of peers - 50% to 100% of target</b>  <b>RORCE rank below 25% of peers - 0% to 50%, provided not lowest ranked</b>	150% <sup>2</sup> of the target Performance Shares were earned based on the HRC’s certification in March 2015 of the Company’s average RORCE performance of 13.8% which resulted in a ranking equal to or greater than the 75th percentile compared with peers
Performance Shares granted March 2013 (2013-2015)	Average RORCE relative to Financial Performance Peer Group	<b>Absolute Performance Criteria</b> RORCE <sup>3</sup> maximum absolute performance level of 15% 150% <sup>2</sup> of target  RORCE < threshold performance level of 2% reduces award to zero	150% <sup>2</sup> of the target Performance Shares were earned based on the HRC’s certification in March 2016 of the Company’s average RORCE performance of 13.6% which resulted in a ranking equal to or greater than the 75th percentile compared with peers; in addition, the HRC determined that no downward adjustment was applicable pursuant to the NOL provision or performance-based vesting condition
Performance Shares granted February 2014 (2014-2016)	Subject to downward adjustment by 1/3 for each year the Company incurs a Net Operating Loss	<b>Relative Performance Levels (RORCE &lt;15% but <sup>3</sup> 2%)</b>  Top Quartile RORCE rank <sup>3</sup> 75% -150% of target  Second Quartile RORCE rank <sup>3</sup> 50%- 100% to <150% of target  Third Quartile RORCE rank <sup>3</sup> 25% -50% to <100% of target	To be determined between 0% and 150% <sup>2</sup> of target number by the HRC in first quarter 2017
Performance Shares granted February 2015 (2015-2017)	Subject to performance-based vesting conditions	Bottom Quartile RORCE rank <25% - 0% to <50% of target, provided not lowest ranked	To be determined between 0% and 150% of target number by the HRC in first quarter 2018

(1) Percentage vesting is interpolated on a straight-line basis based on actual level of performance within each quartile.

(2) 125% for performance shares granted to Mr. Shrewsbury in each of February 2012, 2013, and 2014, prior to his becoming an executive officer.



For additional information about the terms of these awards, see the CD&A discussion above, the narrative discussion following the Grants of Plan-Based Awards Table, and footnotes (3) and (4) to the Outstanding Equity Awards at Fiscal Year-End Table in addition to our prior year proxy statements.

## **Other Compensation Components**

### **Participation in Retirement and Other Benefit Programs**

Our named executives participate in the same benefit programs generally available to all our team members, including health, disability, and other benefit programs, which include the Company 401(k) Plan (with a company match and potential discretionary profit sharing contribution) and, for employees hired prior to July 1, 2009, the Company's qualified Cash Balance Plan (frozen in July 2009). The Company matched up to 6% of eligible participants' certified compensation during 2015 and, in January 2016, the HRC authorized a discretionary profit sharing contribution of 1% of each eligible participant's certified compensation under the Company 401(k) Plan based on the Company's 2015 performance.

Certain of the named executives, together with team members whose covered compensation exceeds IRC limits for qualified plans, also participated in nonqualified Supplemental 401(k) and Supplemental Cash Balance Plans prior to those plans being frozen in July 2009. Following the freezing of the plans, the Company no longer makes additional

## **Table of Contents**

contributions for participants in these plans, although additional investment income continues to accrue to participants' individual accounts at the rates provided for in the plans.

Named executives and certain other highly compensated team members also can participate in our Deferred Compensation Plan. Effective January 1, 2011, the Company amended this plan to provide for supplemental Company matching contributions for any compensation deferred into the Deferred Compensation Plan by a plan participant, including named executives, that otherwise would have been eligible (up to certain IRS limits) for a matching contribution under the Company's 401(k) Plan.

The HRC believes these programs are similar to and competitive with those offered by our Labor Market Peer Group. We provide information about the benefits under these plans in the Pension Benefits table and Nonqualified Deferred Compensation table and related narratives.

## **Perquisites and Other Compensation**

The HRC has intentionally limited perquisites to executive officers. For example, the Company does not provide executive officer benefits for relocation-related home purchase expenses and reimbursements for financial planning services, automobile allowance, club dues, and parking. For security or business purpose, we provide a car and driver to Mr. Stumpf and from time to time to certain other executives, primarily for business travel and occasionally for commuting. In addition, the HRC may from time to time approve security measures if determined to be in the business interests of our Company for the safety and security of our executives and other team members. In 2012, the HRC approved residential security measures for certain executives and, in 2015, the Company paid for the cost of regular maintenance for the previously installed home security systems for certain of our executives. From time to time we may pay the cost for a named executive's spouse to attend a Wells Fargo business-related event where spousal attendance is expected.

## **Post-Retirement Arrangements**

We do not have employment or golden parachute or other severance agreements with our named executives. We have a plan that provides salary continuation for team members, including named executives, who are discharged under the circumstances stated in that plan.

## **Tax Considerations**

Section 162(m) of the IRC limits the deductibility of compensation paid to certain executive officers in excess of \$1,000,000, but excludes performance-based compensation from this limit. For 2015, the HRC awarded annual incentive awards to our named executives under our stockholder-approved Performance Policy, which is intended to provide performance-based compensation under IRC Section 162(m). Because salary is not considered performance-based compensation under Section 162(m), the portion of base salary paid to each of our named executives in excess of \$1 million will not be tax deductible by the Company.

In 2015, the Company paid an aggregate of approximately \$5.6 million in base salary to its named executives in excess of the combined deduction limit for these executives. In addition, the Company incurred compensation expense in 2015 for RSR awards granted in July 2014 and

July 2015 to our named executives other than our CEO that were not intended to qualify as performance-based compensation for purposes of Section 162(m). As a result, the Company forwent approximately \$3.7 million in aggregate tax benefit related to the loss of deduction for named executives' compensation in the form of base salary for 2015 and compensation expense recognized in 2015 for the July 2014 and July 2015 RSR grants, assuming a 35% corporate tax rate. Based on the Company's 2015 income before taxes of approximately \$33.6 billion, the amount of deduction lost represents approximately 0.01% of such income. The 2015 annual incentive and Performance Share awards to the named executives are intended to be performance-based compensation and, therefore, tax deductible under Section 162(m). Although the HRC believes the tax-deductibility of executive compensation is important, it was outweighed for 2015 executive compensation purposes by the HRC's desire to achieve the strategic, compensation and risk management goals described in this CD&A.

## **Conclusion**

The HRC believes that its compensation decisions for the named executives in 2015 were consistent with the Company's four compensation principles. Based on the considerations described herein, the HRC and the Company believe the compensation paid to the named executives for 2015 was reasonable and appropriate.

Table of Contents**Executive Compensation Tables****2015 Summary Compensation Table**

The following table, accompanying footnotes and narrative provide information about compensation paid, accrued, or awarded to the Company's named executives for the years indicated.

Name and Principal Position(1) (a)	Year (b)	Salary (\$) (c)	Stock Awards(\$) (2)(3)(4) (e)	Non-Equity Incentive Compensation (\$)(5) (f)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(6)(7) (g)	All Other Compensation (\$)(8) (h)	Total (\$) (i)
<b>John G. Stumpf</b>	2015	2,800,000	12,500,054	4,000,000		18,550	19,318,604
	2014	2,800,000	12,500,029	4,000,000	2,108,162	18,200	21,426,391
<i>Chairman &amp; CEO</i>	2013	2,800,000	12,500,009	4,000,000		20,400	19,320,409
<b>John R. Shrewsberry</b>	2015	1,700,000	6,500,036	850,000	3,395	18,550	9,071,981
	2014						
<i>Sr. Exec. VP &amp; CFO</i>		991,188	4,800,036	1,600,000		18,200	7,409,424
<b>Timothy J. Sloan</b>	2015	2,000,000	8,000,084	1,000,000	20,054	18,550	11,038,688
	2014	1,829,885	7,000,053	1,600,000		18,200	10,448,138
<i>President &amp; COO</i>	2013	1,700,000	5,500,003	1,615,000		20,400	8,835,403
<b>David M. Carroll</b>	2015	1,700,000	6,500,036	850,000	25,620	18,550	9,094,206
	2014	1,700,000	6,500,058	1,400,000	79,960	18,200	9,698,218
<i>Sr. Exec. VP (Wealth and Investment Management)</i>	2013	1,662,452	5,500,003	1,615,000	6,887	84,541	8,868,883
<b>Avid Modjtabai</b>	2015	1,700,000	6,500,036	850,000	9,254	18,550	9,077,840
	2014	1,700,000	6,500,058	1,300,000		18,200	9,518,258
<i>Sr. Exec. VP</i>							
<i>(Consumer Lending)</i>	2013	1,662,452	5,500,003	1,615,000		20,400	8,797,855
<b>Carrie L. Tolstedt</b>	2015	1,700,000	6,500,036	850,000	23,095	18,550	9,091,681
	2014	1,700,000	6,500,058	1,300,000		18,200	9,518,258
<i>Sr. Exec. VP</i>							
<i>(Community Banking)</i>	2013	1,700,000	5,500,003	1,530,000		20,400	8,750,403

(1) The listed positions were held as of December 31, 2015. Prior to November 17, 2015, Mr. Stumpf was Chairman, President and CEO and Mr. Sloan was Senior Executive Vice President, Wholesale Banking. Mr. Sloan retained his responsibilities as head of Wholesale Banking following his appointment as President and COO.

(2) For 2015, the stock awards included in column (e) consist of (i) Performance Shares, which will vest, if at all, in the first quarter of 2018, subject to the Company's achievement of certain performance conditions for the three-year period ending December 31, 2017, and (ii) RSRs granted on July 28, 2015 to our named executives other than Mr. Stumpf which will vest in four equal annual installments, beginning on the first anniversary of the grant date. These

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

Performance Shares and RSRs also include an adjustment provision that gives the HRC full discretion to cancel all or a portion of these awards in certain circumstances prior to payment, as discussed in more detail following the 2015 Grants of Plan-Based Awards table and in our CD&A.

- (3) Under the applicable FASB ASC Topic 718 rules, the grant date will not be determined for the 2015 Performance Shares until the settlement date for the award after the performance period has been completed, and for the RSRs, until the applicable vesting date, because the HRC has the discretion to make downward adjustments to the awards prior to payment. As a result, the total amount reported in column (e) above represents the fair value of each of the Performance Shares and the RSRs on its respective service inception date (i.e., the date the HRC approved each award), based (i) for the Performance Shares, upon the then-probable outcome of the RORCE performance condition (i.e., the target value of the awards), and (ii) for the RSRs, upon the full number of shares subject to the award. See Notes 1 and 19 to our 2015 financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, regarding assumptions underlying the valuation of these awards.

Accordingly, the amounts included in column (e) are (i) for the Performance Shares, the fair value of the award on February 24, 2015, the service inception date, calculated by multiplying the target number of shares subject to the award by \$55.37, the NYSE closing price per share on that date, and (ii) for the RSRs, the fair value of the award on July 28, 2015, the service inception date, calculated by multiplying the full number of shares subject to the award by \$57.40, the NYSE closing price on July 28, 2015. The target number of Performance Shares reflects the number of shares that would be earned for achieving the absolute performance threshold and median performance relative to peers for the performance period. The table below shows for each award, its service inception date, award type and number of shares, the service inception date per share fair value, and the total service inception date fair value included in column (e).

**Table of Contents**

Name	Service Inception Date	Award Type and Number of Shares (#)	Per Share Fair Value (\$)	Total Service Inception Date Fair Value (\$)
Mr. Stumpf	2/24/2015	225,755 Performance Shares	55.37	12,500,054
Mr. Shrewsberry	2/24/2015	99,332 Performance Shares	55.37	5,500,013
	7/28/2015	17,422 RSRs	57.40	1,000,023
Mr. Sloan	2/24/2015	117,393 Performance Shares	55.37	6,500,050
	7/28/2015	26,133 RSRs	57.40	1,500,034
Mr. Carroll	2/24/2015	99,332 Performance Shares	55.37	5,500,013
	7/28/2015	17,422 RSRs	57.40	1,000,023
Ms. Modjtabai	2/24/2015	99,332 Performance Shares	55.37	5,500,013
	7/28/2015	17,422 RSRs	57.40	1,000,023
Ms. Tolstedt	2/24/2015	99,332 Performance Shares	55.37	5,500,013
	7/28/2015	17,422 RSRs	57.40	1,000,023

- (4) The Performance Shares included in column (e) for 2015 and discussed above are subject to adjustment upward (to a maximum of 150% of the target award) or downward (to zero) depending upon the achievement of certain absolute and relative performance conditions based on the average of the Company's RORCE for the three fiscal years ending on December 31, 2015, 2016 and 2017 as described in our CD&A, and subject to further downward adjustment by 1/3 in the event the Company incurs a Net Operating Loss for any year in the three-year performance period and other applicable performance-based vesting conditions discussed in footnote (3) above and in more detail in our CD&A.

Assuming that the Company's performance during the measurement period results in the maximum number of Performance Shares vesting, each named executive would be entitled to receive the following number of Performance Shares having the related total service inception date fair value shown after his or her name: Mr. Stumpf 338,632 Performance Shares, \$18,750,054; Mr. Shrewsberry 148,998 Performance Shares, \$8,250,019; Mr. Sloan 176,089 Performance Shares, \$9,750,048; Mr. Carroll 148,998 Performance Shares, \$8,250,019; Ms. Modjtabai 148,998 Performance Shares, \$8,250,019; and Ms. Tolstedt 148,998 Performance Shares, \$8,250,019. Additional information about the Performance Shares appears in our CD&A and in the Grants of Plan-Based Awards table, footnotes, and related narrative.

- (5) Amounts shown in column (f) for 2015 reflect the 2015 annual incentive awards paid or awarded in February 2016 to the named executives. As discussed in our CD&A, a portion of the 2015 award for Mr. Stumpf was paid in RSRs (17,326 shares). The number of shares of Company common stock subject to the award was determined by dividing the amount of the stock portion of the award by \$48.10, the NYSE closing price of Company common stock on February 23, 2016, the grant date. These RSRs will vest in three equal annual installments, beginning on March 15, 2017. Although the RSRs were granted in 2016, they reflect compensation for 2015 performance.

Similarly, amounts shown for 2014 reflect the 2014 annual incentive awards paid or awarded in February 2015 to the named executives. A portion of the 2014 award was paid in RSRs. The number of shares of Company common stock subject to the award was determined by dividing the amount of the stock portion of the award by \$55.37, the NYSE closing price of Company common stock on February 24, 2015, the grant date. These RSRs vest in three equal annual installments, beginning on March 15, 2016. Amounts awarded to the named executives are as follows: Mr. Stumpf 18,061 shares; Mr. Shrewsberry 3,613 shares; Mr. Sloan 3,613 shares; Mr. Carroll 2,409 shares; Ms. Modjtabai 1,807 shares; and Ms. Tolstedt 1,807 shares. Although the RSRs were granted in 2015, they reflect compensation for 2014 performance.

- (6) The actuarial present value of the pension benefit for the following named executives under the Company Cash Balance and Supplemental Cash Balance Plans increased or decreased, as applicable, from December 31, 2014 to December 31, 2015 as follows: Mr. Stumpf (\$880,505); Mr. Shrewsberry \$3,395; Mr. Sloan \$20,054; Mr. Carroll \$14,559; Ms. Modjtabai \$9,254; and Ms. Tolstedt \$23,095. Pursuant to SEC rules, the amount of the decrease in the actuarial present value of Mr. Stumpf's pension benefit is not reflected in the sum shown for him in column (h). The change in the present value amount results from the actuarial method used for financial accounting purposes to calculate the current value of a future pension benefit payout and does not reflect the accrual of additional pension benefits beyond investment credits on cash balance accounts. For 2015, the decrease in the actuarial present value of the pension benefit for Mr. Stumpf is primarily attributable to use of a higher lump sum interest rate and a higher discount rate assumed for purposes of calculating the present value of his expected lump sum benefit at retirement. For 2015, the increase in the actuarial present value of the pension benefit for the other named executives is attributable to each executive being one year closer to his or her normal retirement age and, with the exception of Mr. Carroll, use of a higher interest crediting rate assumed for purposes of calculating the expected cash balance account at retirement. For Mr. Carroll, the effect of the use of higher discount and lump sum interest rate assumptions (which caused a decrease in the actuarial present value of his expected benefit), was more than offset by the increase in the calculation attributable to his being one year closer to his normal retirement age. Information about the pension benefits for our named executives, and applicable discussion of investment credits for cash balance accounts, appears under 2015 Pension Benefits below. See footnote (7) below for additional information regarding the amount shown in column (g) for Mr. Carroll.

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

Additional information about the actuarial and other assumptions used to compute the value of these pension benefits is discussed in Note 1 (Summary of Significant Accounting Policies - Pension Accounting) and Note 20 (Employee Benefits and Other Expenses) to our 2015 financial statements, and also in the narrative following the Pension Benefits table under 2015 Pension Benefits - Description of Pension Plans - Valuation of Accumulated Benefits under the Combined Plans.

- (7) Except as described below for Mr. Carroll, none of the named executives received any above-market or preferential earnings on deferred compensation for the years shown, and the amounts shown for Messrs. Stumpf, Shrewsberry, and Sloan and Ms. Modjtabai and Tolstedt do not include any earnings on deferred compensation. The amount shown for Mr. Carroll includes above-

**Table of Contents**

market interest of \$11,061 earned on amounts deferred by him under the Wachovia Corporation Executive Deferred Compensation Plan I and Wachovia Corporation Executive Deferred Compensation Plan II, calculated at a rate per annum equal to the prime rate averaged over four quarters plus 2%. These Wachovia deferred compensation plans were frozen prior to the Wachovia merger, and neither Mr. Carroll nor any other participants may make additional deferrals under, nor may any new team members participate in these plans, although interest will continue to accrue on previously deferred amounts.

- (8) For each named executive, All Other Compensation for 2015 includes a Company matching contribution of \$15,900, and a profit sharing contribution of \$2,650 under the Company's 401(k) Plan in connection with the discretionary profit sharing contribution approved in January 2016 for all eligible 401(k) Plan participants based on the Company's 2015 performance. Profit sharing contributions are paid in the fiscal year following the year for which they are accrued. All perquisites for each of our named executive officers during 2015 did not exceed \$10,000; therefore, All Other Compensation for 2015 does not include disclosure of any perquisite amounts as permitted under SEC rules. See Perquisites and Other Compensation in our CD&A for additional information.

**2015 Grants of Plan-Based Awards**

The following table shows additional information about 2015 annual incentive awards and Performance Share awards and RSRs granted to our named executive officers in 2015.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)		Estimated Future Payouts Under Equity Incentive Plan Awards Threshold Target Maximum		All Other Stock Awards: Number of Shares of Stock or Units	Closing Price of Stock on Date of Grant	Grant Date Fair Value of Stock and Option Awards	
		(\$)(c)	(\$)(d)	(\$)(e)	(#)(f)				(#)(g)(2)
John G. Stumpf	2/24/2015		4,000,000						
	2/24/2015					225,755	338,632	55.37	12,500,054
John R. Shrewsberry	2/24/2015		850,000	1,700,000					
	2/24/2015					99,332	148,998	55.37	5,500,013
Timothy J. Sloan	7/28/2015							17,422	1,000,023
	2/24/2015		1,000,000	2,000,000					
	2/24/2015					117,393	176,089	55.37	6,500,050
David M. Carroll	7/28/2015							26,133	1,500,034
	2/24/2015		850,000	1,700,000					
	2/24/2015					99,332	148,998	55.37	5,500,013
Avid Modjtabai	7/28/2015							17,422	1,000,023
	2/24/2015		850,000	1,700,000					
	2/24/2015					99,332	148,998	55.37	5,500,013
Carrie L. Tolstedt	7/28/2015							17,422	1,000,023
	2/24/2015		850,000	1,700,000					
	2/24/2015					99,332	148,998	55.37	5,500,013
	7/28/2015							17,422	1,000,023

- (1) Our Performance Policy under which we make annual incentive compensation awards to named executives is a non-equity incentive plan under SEC rules. The amounts shown in columns (d) and (e) represent the 2015 estimated future payment of awards to the named executives upon satisfaction of performance conditions established pursuant to the Performance Policy, except that the amount shown in column (d) for Mr. Stumpf represents his actual 2015 incentive award. As discussed in our CD&A, the HRC did not establish a pre-determined target and maximum incentive award opportunity for Mr. Stumpf in order to retain greater discretion in determining his annual incentive award. As permitted by SEC rules, Mr. Stumpf's actual 2015 incentive award is presented as his target payout in column (d). The actual awards for all named executives are set forth in column (f) of the Summary Compensation Table. A portion of the actual 2015 incentive award was paid to Mr. Stumpf in RSRs. See footnote (5) to the Summary Compensation Table.

- (2) The potential equity incentive plan awards shown in columns (g) and (h) represent Performance Share awards included in column (e) of the Summary Compensation Table and discussed in footnotes (2), (3), and (4) to that table. These amounts represent the target and maximum number of performance shares approved by the HRC on the service inception date of February 24, 2015. Additional information regarding the terms of these awards appears in the narrative



following this table.

- (3) The stock awards shown in column (i) represent RSRs granted to all named executives other than Mr. Stumpf included in column (e) of the Summary Compensation Table and discussed in footnotes (2) and (3) to that table. Additional information regarding these awards appears in the narrative following this table and in our CD&A.
  
- (4) Under the applicable FASB ASC Topic 718 rules, the grant date (i) for the 2015 Performance Shares will not be determined until the settlement date for the award after the performance period has been completed, and (ii) for the RSRs will not be determined until the applicable vesting date, because the HRC has the discretion to make downward adjustments to the awards prior to payment. As a result, the total amount reported in column (k) in the table represents the fair value of the Performance Shares and the RSRs on their respective service inception date (i.e., the date the HRC approved each award), based (i) for the Performance Shares, upon the then-probable outcome of the RORCE performance condition (i.e., the target value of the awards), and (ii) for the RSRs, upon the full number of shares subject to the award. See Notes 1 and 19 to our 2015 financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, regarding assumptions underlying the valuation of these awards, and footnote (3) to the Summary Compensation Table.

---

**Table of Contents**
**Additional Information about the Grants of Plan-Based Awards Table**

As described in footnote (5) to the Summary Compensation Table, the HRC granted the number of RSRs shown in that footnote under the LTICP in February 2016 to Mr. Stumpf for a portion of the final payout of his 2015 annual incentive award amount shown in column (d) in the table above. The HRC also granted the Performance Shares shown in columns (g) and (h) of this table to the named executives in February 2015 and the RSRs shown in column (i) of this table to the named executives, other than Mr. Stumpf, in July 2015. We provide certain information about the material terms of these Performance Shares and RSRs below. Additional information about the terms of these awards appears in our CD&A and, with respect to the Performance Shares and RSRs, in footnotes (2), (3), and (4) to the Summary Compensation Table.

As a condition to receiving any Performance Share and/or RSR award, the named executives have agreed to hold, while employed by the Company and for at least one year after retirement, shares of Company common stock equal to at least 50% of the after-tax shares (assuming a 50% tax rate) acquired upon vesting of the Performance Shares and/or RSRs. Each Performance Share and RSR represents the right to receive one share of Company common stock upon vesting, net of applicable withholding taxes. Each of the Performance Share and RSR awards also includes the right to receive dividend equivalents in the form of additional Performance Shares or RSRs, as applicable. These additional Performance Shares and RSRs will be distributed in shares of Company common stock when and if the underlying Performance Shares and/or RSRs vest and are distributed. The HRC may reduce, delay vesting, revoke, cancel, or impose additional conditions and restrictions on these awards to comply with any applicable law or regulation.

**RSRs.** The RSRs granted to Mr. Stumpf in February 2016 as a portion of his 2015 annual incentive compensation payout vest in three equal annual installments beginning on March 15, 2017. The RSRs granted to the named executives, other than Mr. Stumpf, in July 2015 vest in four equal installments beginning on July 28, 2016. These RSR grants are subject to the holding requirement discussed above, to substantially similar forfeiture provisions as described below for the Performance Shares, and to the clawback and recoupment policies described below. These RSR awards also are subject to a performance condition that provides the HRC full discretion to cancel all or a portion of the awards if the executive takes imprudent risk or engages in misconduct in the performance of his or her duties, including in a supervisory capacity, or the Company or the executive's business group suffers a material downturn in financial performance or material failure of risk management. For more information about these additional performance-based vesting conditions, see pages 54-55 of our CD&A.

**Performance Shares.** On February 24, 2015, the HRC granted Performance Shares under the LTICP to each named executive, subject to the achievement of specified absolute and relative performance measures and satisfaction of additional conditions summarized below. The awards will vest after three years in the first quarter of 2018, with the target number of Performance Shares for each of these named executives subject to adjustment upward (to a maximum of 150% of the original target amount granted) or downward (to zero) based on the Company's RORCE performance over the three year period ending December 31, 2017, including Net Operating Loss and performance-based vesting conditions, as discussed on pages 53-54 in our CD&A and footnotes (2), (3), and (4) to the Summary Compensation Table. Each Performance Share entitles the holder to receive one share of Company common stock upon vesting plus dividend equivalents reinvested as additional Performance Shares from the date of grant, subject to the same vesting terms. The potential target and maximum share amounts of these awards are shown for each of these named executives in columns (g) and (h) in the table above.

Named executives who received an award of 2015 Performance Shares will forfeit this award if employment with the Company terminates prior to the vesting date for the Performance Shares, other than due to death, disability, displacement, divestiture, a change-in-control of any Company affiliate that employs the named executive, or retirement. Upon the named executive's retirement prior to the vesting date for the Performance Shares, the award will continue to vest in accordance with its terms (including satisfying the Net Operating Loss and other performance-based vesting conditions) on the scheduled vesting date provided the executive meets certain additional vesting conditions following termination of employment through that vesting date. Those additional conditions are (1) complying with the terms of an agreement with the Company regarding non-disclosure of trade secrets and other confidential information, and the non-solicitation of team members and customers, (2) complying with specified non-disparagement requirements, and (3) to the extent enforceable by the Company under applicable state law, not performing services as an officer, director, employee, consultant, or otherwise for any business which is in competition with any line of business of the Company or its affiliates for which the named executive had executive responsibilities while employed by the Company or its affiliates,

and which does business in any location in the geographic footprint of the Company in which the executive had executive responsibilities.

In addition, these 2015 Performance Share awards are also subject to recovery or clawback in certain circumstances under the Company's clawback and recoupment policies discussed on pages 47-48 in our CD&A.

60 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End 2015 (1)**

The following table shows certain information about unexercised options and unvested RSRs and Performance Share awards at December 31, 2015.

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)		
(a)	(b)	(c)	(e)	(f)	(g)(2)(4)	(h)	(i)(3)(4)	(j)	
John G. Stumpf	800,000		34.39	2/27/2017					
	400,000		35.06	6/26/2017					
	2,000,000		31.40	2/26/2018					
					9,844	A	535,120		
					15,167	B	824,478		
					18,439	D	1,002,344		
				553,756	F	30,102,176			
							284,380	15,458,897	
							230,478	12,528,784	
John R. Shrewsberry	92,230		31.40	2/26/2018					
					10,512	A	571,432		
					15,420	B	838,231		
					30,413	C	1,653,251		
					3,689	D	200,534		
					17,668	E	960,432		
				108,574	F	5,902,083			
							63,701	3,462,786	
							101,410	5,512,648	
Timothy J. Sloan	262,380		34.39	2/27/2017					
	494,080		31.40	2/26/2018					
					1,968	A	106,980		
					3,109	B	169,005		
					22,811	C	1,240,006		
					3,689	D	200,534		
				26,502	E	1,440,649			
				243,652	F	13,244,923			
							125,127	6,801,904	
							119,849	6,514,992	
David M. Carroll	21,441		281.52	3/31/2016					
	7,023		293.12	2/20/2017					
	16,221		205.93	2/19/2018					
	18,924		241.09	2/19/2018					
	16,351		169.72	2/19/2018					
					1,395	A	75,832		
				3,109	B	169,005			
				15,207	C	826,653			
				2,459	D	133,671			
				17,668	E	960,432			
				243,652	F	13,244,923			

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

						125,127	6,801,904
						101,410	5,512,648
<b>Avid Modjtabai</b>	210,810	31.40	2/26/2018				
	62,420	13.05	2/24/2019				
				1,395 A	75,832		
				3,109 B	169,005		
				15,207 C	826,653		
				1,845 D	100,924		
				17,668 E	960,432		
				243,652 F	13,244,923		
						125,127	6,801,904
						101,410	5,512,648
<b>Carrie L. Tolstedt</b>	625,830	31.40	2/26/2018				
	782,288	13.05	2/24/2019				
				1,739 A	94,532		
				2,680 B	145,685		
				15,207 C	826,653		
				1,845 D	100,294		
				17,668 E	960,432		
				243,652 F	13,244,923		
						125,127	6,801,904
						101,410	5,512,648

**Table of Contents**

- (1) In accordance with SEC rules, this table does not include stock awards granted in February 2016. Values for stock awards in the table are based on the NYSE closing price per share of our common stock of \$54.36 on December 31, 2015.
- (2) The unvested units of stock shown for the named executives in column (g) represent (1) Performance Shares granted in 2013 for which the performance period was completed on December 31, 2015, subject to written action by the HRC to be taken in March 2016 to certify the satisfaction of performance criteria for vesting and dividend equivalents credited in the form of additional shares; and (2) RSRs and dividend equivalents credited in the form of additional RSRs. These additional shares and RSRs will vest in each case when and as the related Performance Share or RSR award, as the case may be, vests. The Performance Share awards, RSRs and related dividend equivalents shown in the table above have the following vesting schedules:
- A. In three equal installments one-third of each indicated award vested on March 15, 2014 and 2015; the remaining one-third will vest on March 15, 2016;
  - B. In three equal installments one-third of each indicated award vested on March 15, 2015; the balance of the award will vest in equal installments on March 15, 2016 and 2017;
  - C. In four equal installments one-fourth of each indicated award vested on July 22, 2015; the balance of the award will vest in equal installments on July 22, 2016, 2017, and 2018;
  - D. In three equal installments one-third of each indicated award will vest on March 15, 2016, and the balance of the award will vest in equal installments on March 15, 2017 and 2018;
  - E. In four equal installments one-fourth of each indicated award will vest on each of July 28, 2016, 2017, 2018, and 2019; and
  - F. In full on March 15, 2016, based on the satisfaction of applicable performance criteria certified by the HRC on March 1, 2016 for the three-year performance period ended December 31, 2015.
- (3) The number of shares shown in column (i) represents the target amount of (a) Performance Shares granted in 2014 that will vest in full, if at all, in the first quarter of 2017 after completion of the three-year performance period ending December 31, 2016, and (b) Performance Shares granted in 2015 that will vest in full, if at all, in the first quarter of 2018 after completion of the three-year performance period ending December 31, 2017, subject to the HRC's determination that the Company has met RORCE performance criteria for the applicable three-year performance period, as well as Net Operating Loss and performance-based vesting conditions specified in each award. The performance criteria and conditions for the 2015 Performance Shares are discussed in our CD&A and following the Grants of Plan-Based Awards table above. See 2015 Long-Term Incentive Compensation in our CD&A.
- (4) As stated in footnotes (2) and (3), the number of RSRs (includes 2013 Performance Shares) shown in column (g) and the number of Performance Shares shown in column (i) include dividend equivalents credited in the form of, respectively, unvested additional RSRs and Performance Shares. These additional RSRs and Performance Shares were calculated based on dividends paid on the Company's common stock and the NYSE closing price per share of Company common stock on each dividend payment date. As of December 31, 2015, each named executive was credited with the following number of dividend equivalents in the form of additional RSRs and Performance Shares: Mr. Stumpf 41,846 RSRs (includes 2013 Performance Shares) and 17,835 Performance Shares; Mr. Shrewsberry 10,850 RSRs (includes 2013 Performance Shares) and 5,015 Performance Shares; Mr. Sloan 19,258 RSRs (includes 2013 Performance Shares) and 8,225 Performance Shares; Mr. Carroll 18,767 RSRs (includes 2013 Performance Shares) and 7,848 Performance Shares; Ms. Modjtabai 18,755 RSRs (includes 2013 Performance Shares) and 7,848 Performance Shares; and Ms. Tolstedt 18,760 RSRs (includes 2013 Performance Shares) and 7,848 Performance Shares.

**Table of Contents****2015 Option Exercises and Stock Vested**

The following table shows information about the value of options exercised, previously granted RSRs vested, and Performance Share awards vested based on the Company's performance over the applicable three-year performance period during 2015.

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(#) (b)	Value Realized on Exercise (\$)(1) (c)	Number of Shares Acquired on Vesting(#) (d)	Value Realized on Vesting (\$)(2) (e)
<b>John G. Stumpf</b>			8,095	448,002
			650,536	36,000,672
			9,643	533,666
			7,428	411,080
<b>John R. Shrewsberry</b>	33,560	732,111		
	56,060	1,102,700		
			9,998	585,054
			49,171	2,721,120
			11,141	616,530
			108,422	6,000,082
			10,297	569,836
			7,553	417,956
<b>Timothy J. Sloan</b>	120,040	2,537,045		
	130,000	2,557,100		
			7,498	438,761
			73,756	4,081,680
			1,542	85,348
			286,236	15,840,284
			1,929	106,757
			1,523	84,273
<b>David M. Carroll</b>			4,999	292,527
			1,542	85,348
			286,236	15,840,284
			1,366	75,612
			1,523	84,273
			4,999	292,527
<b>Avid Modjtabai</b>			1,542	85,348
			286,236	15,840,284
			1,366	75,612
<b>Carrie L. Tolstedt</b>	451,620	10,190,805		
	420,410	8,584,772		
			4,999	292,527
			1,542	85,348
			286,236	15,840,284
			1,704	94,310
			1,312	72,624

- (1) For purposes of column (c), the value realized on exercise of an option means the amount equal to the difference between the option exercise price and the NYSE closing share price of our common stock on each applicable date of exercise, times the number of options exercised.
- (2) The number of shares shown in column (d) represents Performance Shares awards and RSRs and related dividend equivalents in the form of, respectively, additional Performance Shares and RSRs that vested on various dates during 2015. The value realized upon the vesting of these Performance Shares awards and RSRs and related dividend equivalents is equal to the number of shares vested, times the NYSE closing share price of our common stock on each applicable vesting date.

**Table of Contents****2015 Pension Benefits**

The following table provides information about the retirement benefits expected to be paid to each of our named executive officers under the pension plans in which the named executive officer participates. The terms of the plans are described below the table.

Name (a)	Plan Name (b)	Number of Years Credited Service (#)(1) (c)	Present Value	Payments
			of Accumulated Benefit \$(2) (d)	During Last Fiscal Year (\$) (e)
John G. Stumpf	Cash Balance Plan (3)	27	938,848	
	Supplemental Cash Balance Plan (3)	27	19,033,734	
	Total		19,972,582	
John R. Shrewsberry	Cash Balance Plan	8	81,657	
	Supplemental Cash Balance Plan	8	228,270	
	Total		309,927	
Timothy J. Sloan	Cash Balance Plan	21	151,415	
	Supplemental Cash Balance Plan	21	1,096,516	
	Total		1,247,931	
David M. Carroll	Cash Balance Plan (4)	28	869,200	
	Total		869,200	
Avid Modjtabai	Cash Balance Plan	16	147,891	
	Supplemental Cash Balance Plan	16	388,367	
	Total		536,258	
Carrie L. Tolstedt	Cash Balance Plan	20	243,215	
	Supplemental Cash Balance Plan	20	973,534	
	Total		1,216,749	

- (1) As a result of the freeze of the Wells Fargo Cash Balance Plan (the "Cash Balance Plan") and the Wells Fargo Supplemental Cash Balance Plan (the "Supplemental Cash Balance Plan" and, together with the Cash Balance Plan, the "Combined Plans"), credited service for all of the plans listed in the above table was frozen as of July 1, 2009.
- (2) The amounts shown in column (d) are determined as of December 31, 2015. See the information under Valuation of Accumulated Benefits under the Combined Plans below. Following the freeze of the Combined Plans, no additional benefits will accrue other than investment credits as described in the narrative below.
- (3) Under the terms of the Combined Plans, Mr. Stumpf is entitled to receive the greater of his vested Account Balances and an Alternative Benefit under the retirement plans described below under Alternative Retirement Benefit Calculation. Because the formula used to compute the Alternative Benefit under these plans results in a greater benefit, this greater benefit is included in column (d).
- (4) Effective July 1, 2009, the Wachovia Corporation Pension Plan (the "Wachovia Pension Plan") was frozen and merged into the Cash Balance Plan. Accordingly, the benefits Mr. Carroll accrued under the Wachovia Pension Plan, as described below under Wachovia Pension Plan, will be paid from the Cash Balance Plan.



## Description of Pension Plans

**Cash Balance Plan and Supplemental Cash Balance Plan.** Our named executives, except as described below for Mr. Carroll, were eligible to participate in the Combined Plans until they were frozen on July 1, 2009.

The Cash Balance Plan is a defined benefit pension plan intended to qualify under the IRC and comply with ERISA. Under the Cash Balance Plan, pension benefits generally are determined by the value of the team member's vested cash balance account ( Account ). Prior to the freeze of the Cash Balance Plan, a team member's Account was credited with compensation credits and investment credits each quarter. Compensation credits to the Account were based on a percentage of the team member's certified compensation, as defined in the Cash Balance Plan, for the quarter. The percentage was based on the team member's age and years of credited service as of the end of each quarter. Since the freeze of the Cash Balance Plan, Accounts are no longer credited with compensation credits.

Each Account continues to be credited, on the last day of each quarter, with investment credits. For 2015, the quarterly investment credit was determined by multiplying the amount of the Account balance at the beginning of the quarter by

---

**Table of Contents**

25% of an average of 30-year U.S. Treasury bond rates (adjusted quarterly). Under the Cash Balance Plan, the investment credit for each calendar quarter beginning on or after January 1, 2009 is required to be not less than 25% of 2.83%. The minimum rate does not apply to the Supplemental Cash Balance Plan.

The value of the Account balance is payable to the team member at any time after termination of employment in either a lump sum or an actuarially equivalent monthly annuity as provided under the Cash Balance Plan and as elected by the team member.

As permitted by ERISA and the IRC, team members who participated in the Cash Balance Plan whose benefits under the Cash Balance Plan were limited due to IRC imposed limits or whose benefits were limited because they chose to defer a portion of their compensation into the Deferred Compensation Plan (as defined below), also participated in the Supplemental Cash Balance Plan. The Supplemental Cash Balance Plan is an unfunded nonqualified deferred compensation plan subject to IRC Section 409A. Under the Supplemental Cash Balance Plan, participants also received compensation and investment credits to their plan accounts, determined by points assigned to each team member at the end of each year based on years of service and age.

The value of the account balance in the Supplemental Cash Balance Plan is payable to the team member in either a lump sum or an actuarially equivalent monthly annuity in the year following the team member's separation from service as defined in the Supplemental Cash Balance Plan and IRC Section 409A. Pursuant to IRC Section 409A, all team members who were participants in the Supplemental Cash Balance Plan made an irrevocable election as to the form of distribution (lump sum or monthly annuity) prior to December 31, 2008. That election will govern the form of distribution that will be paid following the team member's separation from service. The named executives' elections are set forth in footnote (2) to the table under Potential Post-Employment Payments below.

Under the Combined Plans, normal retirement age is defined as age 65.

**Alternative Retirement Benefit Calculation.** When we converted the Combined Plans from traditional defined benefit plans to cash balance plans as of July 1, 1999, following the merger between the former Norwest and the former Wells Fargo, the Company retained the formula for calculating benefits for former Norwest team members who were at least 45 years of age and had at least five years of credited service as team members on June 30, 1999. Upon termination of employment, those team members will receive the greater of their Account balances under the current Combined Plans or the benefits they would have received under the Combined Plans using the plan formula as in effect prior to the July 1, 1999 amendments (the Alternative Benefit).

We calculate the Alternative Benefit based on a formula that uses age, years of credited service calculated as of July 1, 2009, and certified compensation through July 1, 2009. Using this formula, we compute a monthly benefit payable for the team member's lifetime beginning at regular retirement age as defined in the Combined Plans. This monthly benefit equals a percentage of a team member's final average monthly earnings multiplied by years of credited service. Benefits payable under the Combined Plans using the Alternative Benefit formula are reduced if a team member terminates employment and begins receiving benefit payments prior to reaching regular retirement age.

Mr. Stumpf is the only named executive who is eligible to receive the Alternative Benefit. Regular retirement age for Mr. Stumpf is age 66. The present value of accumulated benefits under the Combined Plans using the Alternative Benefit calculation is greater than his respective Account balances; therefore, we show this greater amount in column (d) of the Pension Benefits table above.

**Wachovia Pension Plan.** Mr. Carroll was eligible to participate in the Wachovia Pension Plan until it was frozen and merged into the Cash Balance Plan. The Wachovia Pension Plan was a defined benefit pension plan sponsored by Wachovia Corporation that was intended to qualify under the IRC and comply with ERISA. Through the Cash Balance Plan, the Wachovia Pension Plan provides both a traditional defined benefit pension benefit ( traditional pension benefit ) commencing at age 65, determined as described below, and a cash balance account that consists of annual pay credits and interest credits. The traditional pension benefit provides for an annual benefit commencing at age 65 based on a formula that uses final average monthly compensation as of December 31, 2007 and years of benefit service as of December 31, 2007. The traditional benefit payable under the Wachovia Pension Plan was frozen effective December 31, 2007 and the cash balance account benefit became effective January 1, 2008. A participant's cash balance account was credited with a 3% pay credit each year and an interest credit based on the yield on 10-year Treasury Constant Maturities.

The value of the vested Wachovia Pension Plan benefit is payable from the Cash Balance Plan to the participant at any time after termination of employment in either a lump sum or an actuarially equivalent monthly annuity as provided under the terms of the Wachovia Pension Plan and as elected by the participant. Normal retirement age under the Wachovia Pension Plan is defined as age 65.

---

**Table of Contents**

***Valuation of Accumulated Benefits under the Combined Plans.*** The value of the accumulated benefits for each named executive under the Combined Plans is calculated as of December 31, 2015, the measurement date we use to measure plan assets and benefit obligations under such plans for purposes of our 2015 audited financial statements. For purposes of calculating the present value of the accumulated benefits shown in the Pension Benefits table, we used the same accounting policies (ASC 715) that we used to compute our benefit obligations under these plans and arrangements in our financial statements, except as follows:

We made no assumption for death or termination of employment of named executives prior to normal retirement age;

We assumed that all named executives would elect to receive their retirement benefits under these plans in a lump sum, in lieu of the assumption used for our financial statements that 90% of team members would elect to receive their retirement benefits in a lump sum, and 10% would elect an annuity. These modified assumptions reflect the fact that team members who retire after July 1, 1999, including the named executives, are eligible to elect to receive benefits under the Combined Plans either as a lump sum or an annuity and that in excess of 90% of all team members who retired since July 1, 1999 have elected a lump sum payment. Since January 1, 2009, benefit payments in the Combined Plans are no longer linked. Under IRC Section 409A, team members were allowed to make an irrevocable benefit election of a lump sum or annuity form of distribution prior to December 31, 2008 from the Supplemental Cash Balance Plan. The named executives' elections are set forth in footnote (2) to the table under Potential Post-Employment Payments below. Their benefit in the applicable plan will be paid in the form elected in the year following separation of service;

We assumed no future increases in compensation after June 30, 2009;

We assumed no future service after June 30, 2009; and

We used as normal retirement age under the terms of each applicable plan:

Age 65 for the Combined Plans;

Age 66 for the Alternative Benefit under the Combined Plans; and

Age 62 for Mr. Carroll under the Wachovia Pension Plan.

A complete description of the accounting policies, actuarial, and other assumptions we used to compute these benefits, except as noted above, can be found under Note 20 (Employee Benefits and Other Expenses) to our 2015 financial statements.

**Table of Contents****2015 Nonqualified Deferred Compensation**

The following table provides information about the participation by each named executive officer in our nonqualified deferred compensation plans. The terms of the plans are described below the table.

Name (a)	Executive Contributions in Last FY (\$) (b)	Registrant Contributions in Last FY (\$) (c)	Aggregate Earnings in Last FY(1)(2) (\$) (d)	Aggregate Withdrawals/ Distributions (\$) (e)	Aggregate Balance at Last FYE(3) (\$) (f)
<b>John G. Stumpf</b>					
Deferred Compensation Plan			(1,358)		149,476
Supplemental 401(k) Plan			76,955		4,231,889
<b>John R. Shrewsberry</b>					
Deferred Compensation Plan	462,000		(168,746)		2,764,694
Supplemental 401(k) Plan			10,474		575,984
<b>Timothy J. Sloan</b>					
Deferred Compensation Plan			(401,971)	259,869	10,691,252
Supplemental 401(k) Plan			39,501		2,165,442
<b>David M. Carroll</b>					
Wachovia Deferred Compensation Plans			26,923	48,787	529,493
Wachovia Savings Restoration Plan			(9,248)		524,484
<b>Avid Modjtabai</b>					
Deferred Compensation Plan			(1,058)		81,792
Supplemental 401(k) Plan			15,389		843,630
<b>Carrie L. Tolstedt</b>					
Deferred Compensation Plan					
Supplemental 401(k) Plan			32,025		1,761,121

- (1) None of the earnings shown in column (d) for Messrs. Stumpf, Sloan, or Shrewsberry, or for Meses. Modjtabai or Tolstedt have been included in the Summary Compensation Table because none are preferential or above-market. As discussed in footnote (7) to the Summary Compensation Table, \$11,061 of the earnings shown for Mr. Carroll in column (d) above represents earnings on deferred compensation under the Wachovia Deferred Compensation Plans at an interest rate (the prime rate averaged over four quarters plus 2%) that may be deemed preferential or above-market. As required by SEC rules, this amount has been included for Mr. Carroll in column (h) to the Summary Compensation Table. The Wachovia Corporation Executive Deferred Compensation Plans I and II (the Wachovia Deferred Compensation Plans ) have been frozen, and no additional deferrals may be made by Mr. Carroll or any other participant under those plans.
- (2) All contributions allocated to the Wells Fargo Supplemental 401(k) Plan (the Supplemental 401(k) Plan ) accounts are treated as if invested in our common stock and can be paid only in the form of shares of our common stock. Distributions of these shares will be made in either a lump sum or annual installments payable over ten years or less as elected by the named executive prior to December 31, 2008. If a named executive elects installment distribution, all shares remaining in his or her account will earn dividends (which will be credited to the CD Investment Option described below, unless the executive elects to have such dividends reinvested in the form of additional shares) at the same rate as all other Company common stockholders.
- (3) Amounts in column (f) include (i) amounts received as salary or cash incentive and deferred by those named executives who participated in the Wells Fargo Deferred Compensation Plan (the Deferred Compensation Plan ), the Wachovia Deferred Compensation Plans or the Wachovia Corporation Savings Restoration Plan (the Savings Restoration Plan ) and (ii) our contributions credited to the Supplemental 401(k) Plan on behalf of named executives through 2009. The Supplemental 401(k) Plan, frozen effective July 1, 2009, allowed only employer contributions. All amounts included in column (f), except those presented for Mr. Carroll, have been disclosed in the Summary Compensation Table and related footnotes in our proxy statements for each prior year in which we included the named executive, except for earnings on these amounts, none of which were considered preferential. Amounts included for Mr. Carroll for years prior to 2008 were included in Wachovia Corporation proxy statements.

The aggregate amount of all salary and/or cash incentive deferred (if any) under the Deferred Compensation Plan and contributions credited under the Supplemental 401(k) Plan that we disclosed in Summary Compensation Tables in prior years proxy statements, and the years in which the named executive appeared in these prior proxy statements, is as follows: Mr. Stumpf \$1,287,357 in Supplemental 401(k) Plan contributions (2003-2015) and

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

Ms. Tolstedt \$57,000 in base salary deferrals, and \$422,604 in Supplemental 401(k) Plan contributions (2006-2008, 2010-2015).

The number of shares of our common stock credited to the Supplemental 401(k) Plan account for each named executive officer as of December 31, 2015 is:

<b>Name</b>	<b>Common Stock Share Credits</b>
<b>Mr. Stumpf</b>	75,792
<b>Mr. Shrewsberry</b>	10,316
<b>Mr. Sloan</b>	39,835
<b>Ms. Modjtabai</b>	15,519
<b>Ms. Tolstedt</b>	31,541

Wells Fargo & Company 2016 Proxy Statement

67

**Table of Contents**

We calculated these common stock share credits for each named executive by dividing the Supplemental 401(k) Plan account balance on December 31, 2015, less any dividends earned and credited to the CD Investment Option, by \$54.36, the closing price of our common stock on that date.

**Description of Nonqualified Deferred Compensation Plans**

**Deferred Compensation Plan.** Each of our named executives is eligible to participate in the Deferred Compensation Plan. The Deferred Compensation Plan is an unfunded, nonqualified deferred compensation plan subject to IRC Section 409A. The Deferred Compensation Plan allows certain members of management and highly compensated team members to defer the receipt of compensation that would otherwise be paid to them currently until a future year or years as selected by the team member. For 2015, compensation eligible for deferral includes salaries, incentives, commissions and bonuses earned during 2015 and payable no later than March 15, 2016, subject to any limitations on the amount or type determined by the plan administrator. The Deferred Compensation Plan also provides for supplemental Company matching contributions and supplemental Company discretionary profit sharing contributions related to any compensation deferred by a plan participant, including named executives, that would have been eligible (up to certain IRS limits) but for this deferral for a matching contribution or discretionary profit sharing contribution under the Wells Fargo 401(k) Plan.

The Deferred Compensation Plan currently offers three broad categories of earnings options:

The CD option, in which the deferred compensation earns the same return as if it were a \$10,000 certificate of deposit with a maturity of one year sold by Wells Fargo Bank, N.A. available in Minnesota (the CD Investment Option );

The fund options shown in the table below, in which the deferred compensation earns the same return as if invested in one of the applicable investment options; and

The Wells Fargo & Company common stock option, in which the deferred compensation earns the same return as if invested in our common stock, including reinvestment of dividends.

A team member may allocate deferred compensation among the earnings options in increments of 1% and may elect to reallocate his or her deferral account as of each business day. However, any deferral amounts allocated to the common stock option are required to remain in the common stock option and may not be reallocated.

The rate offered in 2015 for the CD Investment Option was 0.05%. The total return in 2015 for each of the fund options is listed below. Total return is calculated by taking the change in net asset value of a fund, reinvesting all income and capital gains or other distributions during the period, and dividing by the starting net asset value. Total return does not reflect sales charges, but does account for management, administrative and Rule 12b-1 fees, as well as other costs that are automatically deducted from fund assets.

<b>Fund-Type Earnings Options</b>	<b>2015</b>
U.S. Bond Index Fund	0.58%
Standard and Poor's 500 Index Fund	1.38%
Standard and Poor's MidCap Index Fund	-2.24%
Russell Small Cap Index Fund	-4.44%
NASDAQ 100 Index Fund	9.68%
International Equity Fund	-1.83%

Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

Emerging Markets Equity Fund	-20.27%
Global Advantage Strategy Bond Fund	-5.45%
Dow Jones Target Today Fund	-0.82%
Dow Jones Target 2010 Fund	-0.94%
Dow Jones Target 2015 Fund	-1.28%
Dow Jones Target 2020 Fund	-1.36%
Dow Jones Target 2025 Fund	-1.45%
Dow Jones Target 2030 Fund	-1.51%
Dow Jones Target 2035 Fund	-1.88%
Dow Jones Target 2040 Fund	-2.26%
Dow Jones Target 2045 Fund	-2.49%
Dow Jones Target 2050 Fund	-2.58%
Dow Jones Target 2055 Fund	-2.57%



**Table of Contents**

The reported high, low and closing sales prices per share of our common stock and the cash dividend paid per share for each quarter during 2015 is shown in the table below.

	High Price	Low Price	Closing Price	Dividend
First Quarter	\$56.29	\$50.42	\$54.40	\$0.350
Second Quarter	\$58.26	\$53.56	\$56.24	\$0.375
Third Quarter	\$58.77	\$47.75	\$51.35	\$0.375
Fourth Quarter	\$56.34	\$49.51	\$54.36	\$0.375

Upon withdrawal, account balances allocated to the common stock option are distributed in shares of our common stock, and account balances allocated to the other earnings options are paid in cash.

A team member electing to defer compensation selects the year the distribution is to begin and the method of the distribution either lump sum or annual installments over no more than ten years. The team member cannot change the selected method of the distribution, but may elect one time to re-defer a distribution to a year that is at least five years after the date originally selected if it relates to a deferral for 2005 or later, or at least three years after the date originally selected if it relates to a deferral for 2004 or earlier. Distributions will begin in March of the year selected by the team member. If the team member incurs a separation from service as defined in the Deferred Compensation Plan and under IRC Section 409A, before commencement of distribution, the distribution will begin as soon as practicable after the March 1 immediately following a separation from service. If the team member incurs a separation from service after commencement of distribution, the team member's deferral account balances will continue to be distributed in accordance with the original election. If the team member dies before receiving all payments, the remaining balance will be paid to the team member's designated beneficiary or, if none, according to the structure outlined in the Deferred Compensation Plan.

Except as noted below, a team member may not take an early withdrawal of any portion of his or her deferral account for amounts related to a deferral for 2004 or later. For amounts related to deferrals for 2003 or earlier, the requirements regarding early withdrawal are governed by the Deferred Compensation Plan in effect at the time of the deferral. A team member may withdraw all or a portion of his or her deferral account related to deferrals on or after January 1, 2013 due to an unforeseen emergency, as defined in the Deferred Compensation Plan.

**Wachovia Deferred Compensation Plans.** Mr. Carroll was eligible to participate in the Wachovia Deferred Compensation Plans until participation in these plans was frozen and contributions ceased effective December 31, 2001. The Wachovia Deferred Compensation Plans are unfunded, nonqualified deferred compensation plans that allowed certain highly compensated and management team members to defer base salary and/or incentive payments until a future date (generally retirement, death or separation from service). Participants' account balances are credited with a rate of interest equal to the average of the Prime Rate over four quarters plus 2%. The interest is credited on December 31 each year.

The Wachovia Deferred Compensation Plan I provides that a participant's account balance be paid in approximately 10 equal installments. In the event that a participant voluntarily terminates employment and/or becomes affiliated with a competitor, payment will be made in a lump sum. The Wachovia Deferred Compensation Plan I also allows a participant to irrevocably elect to withdraw an amount from the plan 90 days prior to December 31 every five years. There is a 6% penalty associated with this type of withdrawal. The Wachovia Deferred Compensation Plan II allows a participant to elect whether to receive payments in a lump sum or annual installments paid over ten years. In the event that a participant voluntarily terminates employment and/or becomes affiliated with a competitor, payment will be made in a lump sum. Loans are not permitted under these plans. In the event of an unforeseeable emergency resulting from unusual or extraordinary events that cause severe financial hardship, participants may petition for a hardship distribution subject to administrative committee approval.

**Supplemental 401(k) Plan.** Our named executives, except Mr. Carroll, were eligible for, and were automatically enrolled in, the Supplemental 401(k) Plan until it was frozen on July 1, 2009. The Supplemental 401(k) Plan is an unfunded, nonqualified deferred compensation plan subject to IRC section 409A and designed to restore certain benefits lost under the Wells Fargo 401(k) Plan due to IRC-imposed limits on contributions and/or eligible compensation.

Prior to the freeze, the Supplemental 401(k) Plan provided for Company contributions equal to the team member's deferral election in the Wells Fargo 401(k) Plan as of January 1 for the relevant year up to 6% of certified compensation, as defined in the Wells Fargo 401(k) Plan. No team member contributions were accepted in the Supplemental 401(k) Plan. The Company credited contributions in the Supplemental 401(k) Plan if a team member's matching contributions in the Wells Fargo 401(k) Plan were limited due to IRC-imposed limits or due to deferrals under the Deferred Compensation Plan. Contributions allocated to Supplemental 401(k) Plan accounts are treated as if invested in our common stock. Additional contributions are credited to reflect dividends paid. For dividends paid before January 1, 2015, all dividend

---

**Table of Contents**

allocations were treated as if reinvested in our common stock. For dividends paid on or after January 1, 2015, the dividend allocation is credited to the CD Investment Option unless the team member elects before the dividend payment date to have the dividend treated as if reinvested in our common stock. The rate during 2015 for the CD Investment Option and the reported high and low sales and closing prices per share of our common stock and the cash dividend paid per share for each quarter during 2015 are shown above under *Deferred Compensation Plan*.

Loans and withdrawals are not allowed from the Supplemental 401(k) Plan. Distribution of a team member's vested Supplemental 401(k) Plan account balance in a lump sum or in installments as previously elected by the team member will be made or begin as soon as administratively feasible in the calendar year following the year the team member incurs a separation from service as defined in the Supplemental 401(k) Plan and IRC Section 409(A). Distributions from that portion of a team member's account under the Supplemental 401(k) Plan treated as invested in Company common stock can be paid only in the form of shares of our common stock except for fractional shares, which are paid in cash. Distributions from any portion of a team member's account under the Supplemental 401(k) Plan that, on or after January 1, 2015, is credited to the CD Investment Option will be paid in cash. If the team member dies before receiving a complete distribution, the amount is paid to the team member's beneficiary, as determined under the Wells Fargo 401(k) Plan.

***Savings Restoration Plan.*** Mr. Carroll was eligible to participate in the Savings Restoration Plan until it was frozen to additional contributions effective December 31, 2007. The Savings Restoration Plan is an unfunded, nonqualified deferred compensation plan that provided for pre-tax deferral contributions to restore 401(k) plan contributions beyond the IRS qualified plan contribution limitations. Team members with an annual base salary greater than IRC annual covered compensation limits were eligible to participate and could elect to contribute up to 30% of base salary. Wachovia matched participants' contributions on a dollar for dollar basis up to 6% of base salary.

Participants direct their deferred balances among investment index benchmarks that generally mirror those offered in the Wells Fargo 401(k) Plan, with the exception of the Wells Fargo ESOP Fund or Wells Fargo Non-ESOP Fund. Participants may reallocate deferred balances among the various investment indexes on a daily basis.

At the time participants elected to participate in the plan, they chose whether to receive payments in a lump sum or annual installments paid over ten years. Participants also chose when payments will be made, either at separation or retirement (whichever occurs earlier) or after a specified number of years not to be less than five years.

Loans are not permitted under the plan. In the event of an unforeseeable emergency resulting from unusual or extraordinary circumstances that cause severe financial hardship, participants may petition for a hardship distribution subject to administrative committee approval in accordance with IRC Section 409A and other regulatory constraints. In the event a participant ceases to be employed, the account balance will be distributed, in accordance with the elected method of distribution.

**Table of Contents****Potential Post-Employment Payments**

The table below shows potential post-employment payments to the applicable named executives under our Supplemental Cash Balance Plan. We assumed each of these individuals terminated his or her employment on December 31, 2015 and benefits were paid beginning January 1, 2016. The amounts shown in this table do not include retirement benefits under our qualified Cash Balance Plan generally provided to U.S. team members. The amounts shown in this table also do not include distributions of balances under our deferred compensation plans and Supplemental 401(k) Plan, which balances are shown in the Nonqualified Deferred Compensation table above.

Name	Benefit Under(1)	Payable As(2)	
		Lump Sum(\$)	Monthly Life-Only Annuity(\$)
<b>John G. Stumpf</b>	Supplemental Cash Balance Plan	24,255,015	
<b>John R. Shrewsberry</b>	Supplemental Cash Balance Plan	262,299	
<b>Timothy J. Sloan</b>	Supplemental Cash Balance Plan		6,246
<b>David M. Carroll</b>	Supplemental Cash Balance Plan		
<b>Avid Modjtabai</b>	Supplemental Cash Balance Plan	431,806	
<b>Carrie L. Tolstedt</b>	Supplemental Cash Balance Plan	1,060,905	

- (1) The benefits payable under the plan shown in this table are the same benefits included in the Pension Benefits table above, but calculated using a different valuation date and assumptions. Information about benefits payable to named executives under the Combined Plans appears in the narrative following the Pension Benefits table.
- (2) In accordance with IRC Section 409A, the named executives have made the following irrevocable payment elections under the plan shown in this table: Messrs. Stumpf and Shrewsberry and Mses. Modjtabai and Tolstedt elected to receive their respective benefits under the Supplemental Cash Balance Plan as lump sums; Mr. Sloan elected to receive his benefits under the Supplemental Cash Balance Plan as an annuity.

The table above does not include payments and benefits provided on a non-discriminatory basis to team members upon termination of employment, including retirement. These include accrued salary, salary continuation payments, distributions of plan balances under our 401(k) Plan, and welfare benefits provided to all retirees, including retiree medical insurance. We do not have employment or golden parachute or other severance agreements with our named executives.

Information about benefits payable to named executives under the Cash Balance Plan and Supplemental Cash Balance Plan appears in the narrative following the Pension Benefits table. Additional information about benefits provided to team members generally under the 401(k) Plan and potential post-employment payments for named executives appears below.

**Wells Fargo 401(k) Plan**

During 2015, our named executives were eligible to participate in the Wells Fargo 401(k) Plan on the same basis as other eligible employees. The 401(k) Plan is a defined contribution plan intended to comply with ERISA and to qualify under the IRC as both an employee stock ownership plan and a 401(k) cash or deferred arrangement. Generally, U.S. team members who are classified as regular or part-time employees by the Company, who have certified compensation in a pay period in which they are actively employed at least one day, who are employed by a participating employer, and who have completed one month of service are eligible to actively participate in and make salary deferral contributions to the 401(k) Plan. Under the 401(k) Plan, a participant becomes eligible for quarterly employer matching contributions as of the first day of the calendar quarter following completion of one year of employment. In addition, the Company can decide to provide an employer discretionary profit sharing contribution under the 401(k) Plan. A team member would generally be eligible to receive any profit sharing contribution approved with respect to a particular plan year if the team member is eligible to actively participate in the 401(k) Plan and is a regular or part-time employee of a participating employer who is not on a salary continuation leave on the last day of the plan year, has

completed one year of service with the Company, and received certified compensation from a participating employer while eligible during the plan year.

**Chairman/CEO Post-Retirement Policy**

Mr. Stumpf is covered under our Chairman/CEO Post-Retirement Policy which, with the agreement of the Board and the HRC, will provide him with office space, an administrative assistant, and a part-time driver at our expense for two years following his retirement date if he continues to be available for consultation with management and to represent us with customers, the community, and team members during this period. Assuming Mr. Stumpf retired on December 31, 2015 and began providing services under this policy on January 1, 2015, he would be entitled to receive an estimated annual benefit under this policy of approximately \$200,000.

**Table of Contents****Treatment of Equity Awards**

The LTICP was amended, and approved by our stockholders at our 2013 annual meeting, to remove the provision that would have accelerated vesting and payment of equity awards upon certain events, including an acquisition of the Company or major Board changes, unless the Board of Directors or HRC determines otherwise prior to the occurrence of that type of event. As a result of that amendment, single trigger vesting no longer applies to any of the outstanding equity awards granted under the LTICP. Instead, our equity award terms provide for accelerated or continued vesting upon termination of employment in certain circumstances. As shown in columns (g) and (i) of the Outstanding Equity Awards at Fiscal Year-End table, as of December 31, 2015, each of the named executives had outstanding and unvested stock awards in the form of RSRs and/or Performance Shares.

The table below provides a general summary of the treatment of unvested RSR and Performance Share awards shown for each of the named executives in the Outstanding Equity Awards at Fiscal Year-End table upon termination of employment for certain reasons:

<b>Reason for Termination</b>	<b>Impact on Vesting</b>
Death	Immediate vesting of RSRs and Performance Shares, subject to performance conditions (1)
Disability	Immediate vesting of RSRs, subject to performance conditions (1)
	Continued vesting on schedule of Performance Shares, subject to RORCE performance, other award conditions and compliance with covenants (4)
Involuntary due to displacement, divestiture or an affiliate change in control	Immediate vesting of RSRs
	Continued vesting on schedule of Performance Shares, subject to RORCE performance, other award conditions and compliance with covenants (4)
Retirement (2)	Continued vesting on schedule of RSRs and Performance Shares, subject to RORCE performance, other award conditions and compliance with covenants (4)
Voluntary or any other involuntary not for cause	Forfeit, unless Retirement eligible
Involuntary for cause (3)	Forfeit

- (1) Vesting of Performance Shares is at target, however, if termination occurs after the end of the applicable performance period but prior to payment, the final number of Performance Shares earned based on RORCE performance will vest. The Performance Share awards are subject to an additional Net Operating Loss performance condition and the Performance Share awards and RSRs are subject to additional performance-based vesting conditions.
- (2) Retirement as defined under the LTICP is met when the named executive has reached the earliest of: (1) age 55 with 10 completed years of service, or (2) 80 points (with one point credited for each completed age year and one point credited for each completed year of service), or (3) age 65. As of December 31, 2015, each of our named executives, other than Mr. Shrewsbury and Ms. Modjtabei, met this definition of retirement.
- (3) For purposes of these awards, cause is generally defined as a termination of employment by the Company arising from or on or after (1) the continued failure by the team member to substantially perform his or her duties; (2) the conviction of a crime involving dishonesty or breach of trust, conviction of a felony, or commission of any act that makes the team member ineligible for coverage under Wells Fargo's fidelity bond or otherwise makes the team member ineligible for continued employment; or (3) violation of the Company's policies, including but not limited to Wells Fargo's Code of Ethics and Business Conduct, Information Security Policies and Risk Management Accountability Policy.
- (4) Covenants for purposes of continued vesting may include non-competition, non-solicitation of team members and customers, non-disclosure of trade secrets and other confidential information, and non-disparagement, subject to applicable state laws. Awards are also subject to our applicable clawback and recoupment policies. The Performance Share awards are subject to an additional Net Operating Loss performance condition and the Performance Share awards and RSRs are subject to additional performance-based vesting conditions.

**RSRs and 2013 Performance Shares.** Assuming that as of December 31, 2015, the employment of each of the named executives had terminated due to death or disability (and for 2011 and later awards certain other involuntary termination events), but not retirement, the restrictions on each of the RSRs and 2013 Performance Shares shown in column (g) of the Outstanding Equity Awards at Fiscal Year-End table would have lapsed, and each named executive (or his or her beneficiaries in the case of death) would have been entitled to receive the number of shares (including dividend equivalents) shown opposite his or her name in column (g), and having the value shown in column (h) of the Outstanding Equity Awards at Fiscal Year-End 2015 table based on the NYSE closing price per share of our common stock of \$54.36 on that date.

**2014 and 2015 Performance Shares.** Assuming that as of December 31, 2015, the employment of each of the named executives had terminated due to death, each named executive (or his or her beneficiaries) would have been entitled to

72 Wells Fargo & Company 2016 Proxy Statement

**Table of Contents**

receive the target number of Performance Shares (including dividend equivalents) shown opposite his or her name in column (i) and having the value shown in column (j) of the Outstanding Equity Awards at Fiscal Year-End 2015 table based on the NYSE closing price per share of our common stock of \$54.36 on that date.

Assuming that as of December 31, 2015, the employment of each of the named executives had terminated due to disability, certain other involuntary termination events, or retirement, each named executive would be entitled to receive the number of Performance Shares (including dividend equivalents) earned based on the Company's performance after completion of the applicable three-year performance period for each award. As summarized above, these awards provide for continued vesting on schedule subject to applicable performance criteria and conditions in the event of termination due to disability, certain other involuntary termination events, or retirement. The following table includes the value of 2014 and 2015 Performance Shares and dividend equivalents for each named executive, based on the NYSE closing price per share of our common stock of \$54.36 on December 31, 2015, assuming the maximum level of performance achievement as of that date for purposes of these disclosures. However, because the applicable performance period for each of these awards has not yet been completed, the actual number of 2014 and 2015 Performance Shares earned will depend on the Company's level of RORCE performance over the performance period for each award and satisfaction of other performance conditions.

Name	Award Date	Estimated Performance Shares(#)	Value(\$)
John G. Stumpf	2/25/2014	426,570	23,188,345
	2/24/2015	345,717	18,793,176
John R. Shrewsberry	2/25/2014	79,626	4,328,469
	2/24/2015	152,115	8,268,971
Timothy J. Sloan	2/25/2014	187,691	10,202,883
	2/24/2015	179,773	9,772,460
David M. Carroll	2/25/2014	187,691	10,202,883
	2/24/2015	152,115	8,268,971
Avid Modjtabai	2/25/2014	187,691	10,202,883
	2/24/2015	152,115	8,268,971
Carrie L. Tolstedt	2/25/2014	187,691	10,202,883
	2/24/2015	152,115	8,268,971

**Compensation Governance and Risk Management**

Wells Fargo employs strong and effective corporate governance practices which include active oversight and monitoring by the HRC of our incentive compensation strategy and practices so that they are consistent with the safety and soundness of the Company and do not encourage excessive risk taking. The HRC oversees our compensation risk management practices and monitors their effectiveness in managing compensation-related risk appropriately.

Many of the compensation risk management policies and practices that apply to the Company's named executives discussed in the CD&A (see [Governance Framework for Compensation Decisions Risk Management](#)) apply equally to other senior executives and employees the Company identifies whose activities, individually or as a group, may expose the Company to material risk, including:

an emphasis on overall Company performance in compensation decisions, and for lines of business, their contribution to overall Company performance;



incentives that balance individual short-term performance goals with the long-term strength and stability of the Company, including longer performance periods and/or performance-based deferrals;

evaluation of individual performance based on the individual's focus on appropriate risk management practices aligned with the Company's risk appetite as well as risk outcomes;

robust compliance, internal control, disclosure review, and reporting programs;

strong compensation recoupment or clawback policies which can result in awards being cancelled or prior payments being recovered in appropriate circumstances so that incentive compensation awards encourage the creation of long-term, sustainable performance, while at the same time discourage unnecessary or excessive risk-taking that would impact the Company's performance;

an emphasis on compliance with the highest standards of ethical conduct as reflected in our Code of Ethics and Business Conduct, which requires employees to deal fairly with customers and others, and includes a prohibition on, and right to discipline employees for, manipulating or misrepresenting sales or reporting;

## **Table of Contents**

a prohibition on derivative and hedging transactions in Company stock;

our stock ownership policy under which all executive officers are required to retain 50% of their after-tax profit shares (assuming a 50% tax rate) acquired upon exercise of options or vesting of stock awards for a period of one year following retirement, subject to a maximum limit of ten times the executive's salary, and other employees are expected to retain that number of shares subject to the same limit while employed by the Company.

More information about the processes by which the HRC considers and determines the compensation of our named executive officers, including the assessment of compensation-related risks as part of the HRC's governance framework for executive compensation decisions, is included in our CD&A.

In addition to the oversight of the HRC, the Company has established a management-level governance committee, our Incentive Compensation Committee, to oversee our incentive compensation risk management program, compliance with applicable corporate policies and regulatory requirements, guidance and expectations with regard to compensation practices, the design and outcomes of business line incentive plans, and enterprise-wide efforts to enhance incentive compensation practices throughout the Company. The Incentive Compensation Committee consists of the Company's senior risk, compliance and human resources executives and reports to the HRC annually. Our incentive compensation risk management program is designed and managed by Corporate Human Resources, with input from an advisory council of senior managers from our corporate functions and business lines, including control functions. In addition, through the incentive compensation risk management program and subject to the oversight of Corporate Human Resources, (1) each line of business within Wells Fargo is accountable for identifying employees whose activities, individually or as a group, may expose Wells Fargo to material risk and (2) the management teams within Wells Fargo's international locations, with input from our control functions, are responsible for overseeing implementation and supervision of Wells Fargo remuneration policies and practices in those locations. Each line of business is responsible for understanding the risks associated with each job covered by an incentive arrangement and making sure the business' incentive arrangements are balanced and do not encourage imprudent risk-taking.

In connection with our incentive compensation risk management program, management coordinates annually an enterprise-wide assessment of various business line and corporate staff incentive compensation plans. As part of this annual review process, our corporate and line of business risk officers, who are part of our independent Corporate Risk function and are accountable to our Chief Risk Officer, provide independent reviews of those incentive compensation arrangements and risk-balancing features. The HRC also meets with our Chief Risk Officer annually to review and assess any risks posed by our enterprise incentive compensation programs and the appropriateness of risk-balancing features of those programs.

The Incentive Compensation Committee and HRC have reviewed the Company's incentive compensation risk management practices, including the outcome of an enterprise-wide risk assessment of business line and corporate staff incentive compensation plans. The HRC will continue to monitor our progress so that our compensation programs and practices appropriately balance risk-taking consistent with the safety and soundness of the Company and applicable regulatory guidance.

In light of the compensation policies and actions discussed above, the Company and the Board have not identified any risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Table of Contents**AUDIT MATTERS****Item 3 Ratify Appointment of Independent Registered Public Accounting Firm for 2016**

The AEC selects, evaluates, and, where appropriate, replaces the independent registered public accounting firm (independent auditors) retained to audit the Company's financial statements. The AEC has appointed KPMG LLP as our independent auditors for the year ending December 31, 2016, and stockholders will vote at the annual meeting to ratify this appointment. KPMG or its predecessors have examined our financial statements each year since 1931. The AEC exercises sole authority to approve all audit engagement fees and terms associated with the retention of KPMG. In addition to assuring the regular rotation of the lead audit partner as required by law, the AEC is involved in the selection of, and reviews and evaluates the lead audit partner and considers whether, in order to assure continuing auditor independence, there should be regular rotation of the independent registered public accounting firm. For reasons stated in the AEC report, the AEC and the Board believe that the continued retention of KPMG to serve as our independent auditors is in the best interests of the Company and its stockholders.

Although we are not required to seek stockholder ratification of KPMG's appointment, the Board believes it is sound corporate governance to do so. If stockholders do not ratify the appointment of KPMG, the AEC will consider the stockholders' action in determining whether to appoint KPMG as our independent auditors for 2017.

Representatives of KPMG will be present at the annual meeting to answer appropriate questions and to make a statement if they wish.

**The Board recommends that you vote FOR the proposal to ratify the appointment of KPMG as our independent registered public accounting firm for 2016 (Item 3 on the proxy card).**

**KPMG Fees**

We incurred the fees shown in the following table for professional services provided by KPMG for 2015 and 2014:

	2015	2014
<b>Audit Fees (1)</b>	\$ 39,136,000	\$ 37,904,000

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

<b>Audit-Related Fees (2)</b>	4,627,000	4,022,000
<b>Tax Fees (3)</b>	4,538,000	5,023,000
<b>All Other Fees (4)</b>	999,000	327,000

**Total** \$ 49,300,000 \$ 47,276,000

- (1) Audit Fees principally relate to the audit of our annual financial statements, the review of our quarterly financial statements included in our Quarterly Reports on Form 10-Q, and the audit of our internal control over financial reporting. Audit fees also relate to services such as subsidiary and statutory audits, managed fund audits, registration activities (i.e., comfort letters, consent filings, etc.), and regulatory and compliance attest services.
- (2) Audit-Related Fees principally relate to audits of employee benefit plans, review of internal controls for selected information systems and business units (Service Organization Control Reports), and due diligence work.
- (3) Tax Fees principally relate to the preparation of tax returns and compliance services, tax planning and consultation services and trust and estate tax compliance services.
- (4) Other Fees relate to non-tax related advisory and consulting services.

### Audit and Examination Committee Pre-Approval Policies and Procedures

The AEC selects and oversees our independent auditors. AEC policy prohibits KPMG from providing certain non-audit services to us and requires all audit and permissible non-audit services provided by KPMG to be pre-approved by the AEC. There are three methods for pre-approving KPMG services. The AEC may pre-approve, on an annual basis, recurring services such as the audits of our annual financial statements and internal control over financial reporting and the review of our quarterly financial statements. Preliminary fee levels will not exceed the amount pre-approved for these services in the preceding calendar year, and changes to these fee levels as a result of changes in the scope of services will be submitted to the AEC for pre-approval on an annual basis. The AEC must pre-approve changes in the scope of recurring services if they will result in fee increases in excess of a relatively small amount established by the AEC prior to such additional services being provided by KPMG. The AEC may also pre-approve, for a particular fiscal year, specific types of audit,

## **Table of Contents**

audit-related and tax services, subject to a fee cap for each of the three service type categories. Finally, the AEC may pre-approve, from time to time during the year, services that have neither been pre-approved as recurring services nor pre-approved pursuant to the categorical pre-approval described above. Actual fees incurred for services provided to us by KPMG are reported to the AEC after the services have been fully performed. In determining whether to pre-approve the provision by KPMG of a permissible non-audit service, the AEC considers whether the provision of the service by KPMG could impair the independence of KPMG with respect to us. As part of this process, the AEC considers the facts and circumstances of the proposed engagement, including whether KPMG can provide the service more effectively and economically than other firms because of its familiarity with our businesses and operations. The AEC also considers the proposed engagement in light of any other non-audit services provided to us by KPMG and the fees paid to KPMG for those services. The AEC requires competitive bidding for non-audit services unless it is not warranted because of the facts and circumstances of the proposed engagement.

The AEC has delegated pre-approval authority to designated AEC members. Pre-approval by a designated AEC member is used for time-sensitive engagements. Pre-approval decisions by a designated AEC member are reported to the full AEC at a future meeting.

## **Audit and Examination Committee Report**

The AEC's charter sets forth the AEC's purposes and responsibilities. The six members of the AEC who participated in the review, discussion, and recommendation of this report are named below. Each such member is independent, as independence for audit committee members is defined by NYSE rules. The Board has determined, in its business judgment, that each such member of the AEC is financially literate as required by NYSE rules and each of Messrs. Baker, Hernandez, Peña, and Quigley and Ms. Swenson qualifies as an audit committee financial expert as defined by SEC regulations.

Management has primary responsibility for our financial statements and the overall reporting process and, with the assistance of our internal auditors, for maintaining adequate internal control over financial reporting for us and assessing the effectiveness of our internal control over financial reporting. The independent auditors are responsible for performing independent audits of our consolidated financial statements and our internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). These audits serve as a basis for the auditors' opinions included in the annual report to stockholders addressing whether the financial statements fairly present our financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles and whether our internal control over financial reporting was effective as of December 31, 2015. The AEC's responsibility is to monitor and oversee these processes.

In connection with its monitoring and oversight responsibilities, the AEC assessed the activities and performance of the Company's independent auditor. In conducting its assessment, the AEC considered, among other things: information relating to audit effectiveness, including the results of PCAOB inspection reports; KPMG's demonstrated understanding of the financial services industry, the Company's businesses, significant accounting practices, and system of internal control over financial reporting; and the professionalism of KPMG's team, including exhibited professional skepticism, objectivity, integrity, and trustworthiness. Similarly, the AEC oversaw the periodic required rotation of KPMG's lead audit partner, as required by SEC rules. The selection of the lead partner was based on the AEC's interactions with prospective candidates, assessment of their professional experiences, and input received from KPMG and management.

The AEC has reviewed and discussed our 2015 audited financial statements with management. The AEC has discussed with KPMG the matters required to be discussed by applicable PCAOB standards, including matters relating to the conduct of the audit of our financial statements. KPMG has provided to the AEC the written disclosures and the letter required by applicable requirements of the PCAOB regarding KPMG's communications with the AEC concerning independence, and the AEC has discussed with KPMG that firm's independence from us. Based on this review and these discussions, the AEC recommended to the Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the SEC.

**Members of the Audit and Examination Committee:**

James H. Quigley, Chair

Federico F. Peña

John D. Baker II

Susan G. Swenson

Enrique Hernandez, Jr.

Suzanne M. Vautrinot

76 Wells Fargo & Company 2016 Proxy Statement

Table of Contents

## STOCKHOLDER PROPOSALS

We expect the following stockholder proposals (Items 4 and 5) to be presented by certain stockholders at the annual meeting. The text of these proposals and supporting statements appear in the form in which we received them. All statements contained in the proposals and supporting statements are the sole responsibility of the proponents. The names and addresses of the proponents, and the number of shares held by the proponents, appear before their respective proposals.

The Board has carefully considered each of the following stockholder proposals and has concluded the adoption of these proposals would not be in the best interests of the Company or its stockholders. For the reasons stated after each proposal and its supporting statement, **the Board recommends that you vote AGAINST each of these proposals.**

### Item 4 Stockholder Proposal to Adopt a Policy to Require an Independent Chairman

Gerald R. Armstrong, 621 Seventeenth Street, Suite 2000, Denver, CO 80293-2001, who held 23,934 shares of common stock on November 13, 2015, intends to submit a resolution to stockholders for approval at the annual meeting. The proponent's resolution and supporting statement are printed below.

#### Resolution

That the shareholders of WELLS FARGO & COMPANY REQUEST its Board of Directors to adopt a policy, and amend the by-laws as necessary, to require the Chairman of the Board of Directors to be an independent member of the Board of Directors.

This policy should not be implemented to violate any contractual obligation and should specify: (a) how to select a new independent chairman if the current chairman ceases to be independent during the time between annual meetings of shareholders; and, (b) that compliance is excused if no independent director is available and willing to serve as Chairman.

#### Supporting Statement

This proposal's proponent is a longterm shareholder of WELLS FARGO & COMPANY and is responsible for its elimination of its poison pill and whose Say-on-Pay proposals were approved by shareholders on two occasions despite strong opposition of the Board of Directors.

In last year's annual meeting, he presented a similar proposal which received votes from owners of 650,142,627 shares worth \$36,024,402,962. on the meeting date.

He is familiar with Wells Fargo's problems which were originated under an administration where one person served as Chairman and President and was accountable only to himself. Nine current directors began serving prior to the 2008 recession. The proponent believes an independent chairman would seek qualified board members and prevent apparent entrenchment policies.

DuPont's failures were placed upon its Board Chair and Chief Executive Officer who was ousted by its board in the same manner that Target Corporation's board ousted its Chairman/Chief Executive Officer a year earlier.

This is significant to WELLS FARGO & COMPANY's shareholders because John G. Stumpf, our Chairman and Chief Executive Officer, is a member of the Board of Directors of TARGET CORPORATION where one person has been serving as its Chairman, President and Chief Executive Officer. The proponent asks, If Mr. Stumpf could not see the weaknesses at TARGET CORPORATION, is he blind to possible problems at WELLS FARGO & COMPANY?

Studies have confirmed that underperforming companies that lack an independent chairman and companies, world-wide, are routinely separating the positions of Chairman and CEO (CEO Succession 2000-2009: A Decade of Convergence and Compression, Booz & Co., Summer, 2010).

The proponent believes that over-extension of duties weakens leadership and may have caused these failings. He notes, too, that many successful corporations and financial holding companies have independent board chairmen.



## **Table of Contents**

Norges Bank Investment Management has stated in support of a similar proposal:

The roles of Chairman of the Board and CEO are fundamentally different and should not be held by the same person. There should be a clear division of responsibilities between these positions to insure a balance of power and authority on the Board.

If you agree, please vote FOR this proposal.

## **Position of the Board**

**The Board recommends a vote *AGAINST* this proposal, which is identified as Item 4 in the proxy materials, for the following reasons:**

**The Company's corporate governance structure, including the composition of the Board, its committees, and its Lead Director who is available to meet with major stockholders to discuss governance and other matters, already provides effective independent oversight of management and Board accountability and responsiveness to stockholders;**

**If adopted, the proposal would unnecessarily restrict the Board's ability to select the director best suited to serve as Chairman of the Board based on criteria the Board deems to be in the best interests of the Company and its stockholders; and**

**The Company's governance structure is working effectively as evidenced by the Company's strong financial performance, and our stockholders rejected a similar independent chairman proposal for the eleventh consecutive year in 2015.**

For the reasons described in *Our Board Leadership Structure and Lead Director*, at this time the Board believes that combining its CEO with the Chairman of the Board position is the most appropriate structure for the Company and best serves the interests of stockholders. The Company's corporate governance structure, with its strong emphasis on Board independence, makes an absolute independent chairman requirement unnecessary. Fourteen of the 15 director nominees are independent under the Company's Director Independence Standards, including the NYSE bright-line standards of independence, and each of the standing Board committees is comprised entirely of independent directors. The Board and its committees each meet in executive session on a regular basis without the presence of management, and all Board members have complete access to management and outside advisors. The Company has a Lead Director, appointed by the Company's other independent directors, who provides independent Board leadership. The Lead Director has clearly defined responsibilities, including:

approving Board meeting agendas and approving meeting schedules to assure there is sufficient time for discussion of all agenda items,

calling and chairing executive sessions and meetings of non-management or independent directors, and calling special meetings of the Board,

working with committee chairs to ensure coordinated coverage of Board responsibilities,

serving as a liaison between the independent directors and the Chairman,

facilitating communication between the Board and senior management,

facilitating the Board's review and consideration of stockholder proposals,

advising the Chairman and CEO on the informational needs of the Board and approving the types and forms of information provided to the Board, and

being available for consultation and direct communication with major stockholders of the Company to help ensure that the Board is accountable and responsive to stockholders.

As a result, the Board does not believe that a policy mandating an independent Chairman is necessary to achieve effective independent leadership and management oversight. Evidence that the Board's current governance structure is working effectively includes the Company's strong financial performance despite the challenging economic and regulatory environment for financial institutions during the past few years. For example, the Company's net income in 2015 and 2014 was \$22.9 billion and \$23.1 billion, respectively, and the Company's total annual stockholder return for the one-, three- and five-year periods ended December 31, 2015 was 1.9%, 19.9%, and 14.7%, respectively.

---

## **Table of Contents**

The Board also values its flexibility to select, on a case-by-case basis, the leadership arrangement best able to meet the Company's needs based on the qualifications of the individuals available and circumstances existing at the time. The flexibility to select the right leadership structure for the Board and the Company is especially important in light of increased regulatory expectations for financial institutions. Imposing an inflexible rule regarding the Chairman position which may be contrary to the Board's determination of the appropriate governance model could disrupt or impede governance of the Company as well as the Board's internal working relationships and decision-making processes. The Board continues to believe the proposed policy would impose an unnecessary and potentially harmful restriction on the Board that is not in the best interests of the Company and its stockholders. Our stockholders have historically agreed with the Board and rejected similar independent chairman proposals every year since 2005.

**Accordingly, the Board recommends that you vote AGAINST this proposal.**

## **Item 5 Stockholder Proposal to Provide a Report on the Company's Lobbying Policies and Practices**

Trillium Asset Management, 721 NW Ninth Avenue, Suite 250, Portland, OR 97209 on behalf of Paula C. Sager (202 shares), Victor A. Kovner (148 shares), Lewis Blaustein (34 shares), The Oregon Environmental Council (19 shares), Plymouth Congregational Church of Seattle (1,464 shares), Persephone LLC (845 shares), and Mayberry LLC (839 shares), who held the number of shares of the Company's common stock shown in parentheses after their respective names as of November 12, 2015, intends to submit a resolution to stockholders for approval at the annual meeting. The proponents' resolution and supporting statement are printed below.

### **Resolution**

**Whereas**, Lobbying exposes Wells Fargo & Company ( WFC ) to risks that could affect its goals, objectives, and ultimately shareholder value, and

We rely on information provided by WFC to evaluate goals and objectives, and therefore have a strong interest in full disclosure of its lobbying to assess whether its lobbying is consistent with its expressed goals and in the best interests of shareholders and long-term value.

**Resolved**, shareholders request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by WFC used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. WFC's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board for making payments described in sections 2 and 3 above.

For purposes of this proposal, grassroots lobbying communication is communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. Indirect lobbying is lobbying engaged in by a trade association or other organization of which WFC is a member. Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels. The report should be presented to the Audit Committee or other relevant Board committees and posted on WFC's website.

## Supporting Statement

As shareholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation both directly and indirectly. Absent a system of accountability, company assets could be used for objectives contrary to WFC's long-term interests.

WFC spent \$12.5 million in 2014 and 2015 on direct federal lobbying activities (Senate and House Reports). These figures do not include lobbying expenditures to influence legislation in states, where WFC also lobbies but disclosure is uneven or absent. WFC has drawn attention for its lobbying (Wells Fargo: No. 4 in assets, No. 1 in lobbying, *Charlotte Observer*, May 8, 2015).

## **Table of Contents**

WFC does not disclose its payments to trade associations, but Fifth Third, Genworth and Prudential do. Wells Fargo does not disclose its trade association payments that are used for lobbying, but Capitol One, Fifth Third, Genworth, KeyCorp, Metlife, Prudential and USBancorp do. And WFC does not disclose membership in or payments to tax-exempt organizations that write and endorse model legislation, such as its \$5,000 contribution to the 2013 annual meeting of the American Legislative Exchange Council.

The International Corporate Governance Network, representing institutional investors with more than \$18 trillion in assets, supports lobbying disclosure as best practice, and supports disclosure of any amounts over \$10,000, including trade association payments.

## **Position of the Board**

**The Board recommends a vote *AGAINST* this proposal, which is identified as Item 5 in the proxy materials, for the following reasons:**

**The Company is already subject to extensive federal, state, and local lobbying registration and public disclosure requirements;**

**The Company already provides information on its website regarding its policies and practices on advocacy and lobbying, including Board oversight of the Company's advocacy and lobbying activities, as well as information about the Company's memberships in certain national and regional trade associations; and**

**The Company has ranked as a first tier company in the CPA-Zicklin Index of Corporate Political Disclosure and Accountability, a report that measures political disclosure and accountability policies and practices of companies in the S&P 500, since 2011.**

The Board believes that active engagement in the legislative process is an important part of responsible corporate citizenship. The Company participates in public policy advocacy on issues that impact its business, and regularly communicates with government policymakers, public officials and regulators at the local, state, and federal levels in order to protect and advance the long-term goals and interests of the Company and its customers and stockholders.

The Company's public advocacy activities are already subject to Board oversight and public reporting requirements, and consequently, the Board believes that this proposal is unnecessary. Our advocacy activities are overseen by the Board through its Corporate Responsibility Committee, which reviews the Company's government relations activities and public advocacy policies and programs and at least annually receives reports from management on political and lobbying activities, including payments made to trade associations by Wells Fargo. In addition to this Board oversight, the Company is already subject to, and complies with extensive federal, state, and local lobbying registration and reporting requirements available to stockholders and the public generally. Pursuant to these requirements, the Company reports its advocacy and lobbying activities, including expenditures and the legislative issues in which the Company is engaged, as well as those persons who participate in our public advocacy programs, including employees and third parties. We provide information to stockholders and the general public about our advocacy guidelines and political contribution and engagement policies at <https://www.wellsfargo.com/about/csr/governmentrelations>.

The Company is active in many regional and national trade associations. We believe these organizations offer excellent opportunities for our team members' professional development and networking, as well as provide a forum for discussing important consumer issues and advocating for common business interests. Trade associations are not primarily lobbying entities, although a portion of their membership dues may be part of the funds used by a trade association in its discretion to engage in lobbying activities. We include on our website, and update semiannually,

information about national and regional trade groups receiving more than \$25,000 in dues from the Company. The Company's membership in these groups comes with an understanding that we may not always agree with every position a trade association takes, including on legislation and public policy issues.

The Board believes that the Company participates in the legislative process in a manner that is consistent with sound corporate governance practices. The Company already provides extensive publically available information regarding its public advocacy and lobbying policies and activities as required by law, and has been recognized as a first tier company in the CPA-Zicklin Index of Corporate Political Disclosure and Accountability for its political disclosure and accountability practices each year since 2011. The Company also provides information about these policies and activities, and the Company's memberships in, and dues paid to significant national and regional trade groups on its website. For these reasons, the Board believes the requested report is unnecessary.

**Accordingly, the Board recommends that you vote *AGAINST* this proposal.**

**Table of Contents**

## **VOTING AND OTHER MEETING INFORMATION**

We provide below information on voting at the annual meeting, as well as other annual meeting information, including who can vote, the number of shares required to be present to hold the annual meeting, how to vote your shares, the vote required for the items to be presented at the meeting, and rules for admission to our annual meeting.

### **Voting Information**

#### **Who can vote at the annual meeting?**

Delaware law and our governing documents require that we establish a record date for the annual meeting so we can determine which stockholders are entitled to notice of, and to vote at the meeting. The record date for the annual meeting is March 1, 2016. Holders of our common stock as of the close of business on that date are entitled to notice of and to vote at the meeting. On that date, we had 5,057,245,527 shares of common stock outstanding and entitled to vote. Each share of common stock outstanding on the record date is entitled to one vote on each of the 15 director nominees and one vote on each other item to be voted on at the meeting. There is no cumulative voting.

#### **How many votes must be present to hold the annual meeting?**

We will have a quorum and will be able to conduct business at the annual meeting if the holders of a majority of the outstanding shares of common stock entitled to vote at the meeting as of the record date are present in person or represented by proxy at the meeting. We urge you to vote promptly by proxy even if you plan to attend the annual meeting so that we will know as soon as possible that enough shares will be present for us to hold the meeting. Solely for purposes of determining whether we have a quorum, we will count:

Shares present in person or by proxy and voting;

Shares present in person and not voting; and

Shares for which we have received proxies but for which stockholders have abstained from voting or that represent broker non-votes, which are described on p. 83.

## How do I vote my shares?

You don't have to attend the annual meeting to vote. The Board is soliciting proxies so that you can vote before the annual meeting. If you vote by proxy, you will be designating Hope A. Hardison, Michael J. Loughlin, and James M. Strother, each of whom is a Company executive officer, each with power of substitution as your proxy, and together as your proxies, to vote your shares as you instruct. If you sign and return your proxy card or vote over the internet or by mobile device or telephone without giving specific voting instructions, these individuals will vote your shares by following the Board's recommendations. The proxies also have discretionary authority to vote to adjourn our annual meeting, including for the purpose of soliciting votes in accordance with our Board's recommendations, or if any other business properly comes before the meeting. If any other business properly comes before the meeting, these individuals will vote on those matters in accordance with their best judgment.

We provide you in the chart below general information on how to vote your shares if you are:

**A record holder** your shares are held directly in your name on our stock records and you have the right to vote your shares in person or by proxy at the annual meeting;

**A street name holder** your shares are held in an account at a brokerage firm, bank, or other similar entity. This entity is considered the record holder of these shares for purposes of voting at the annual meeting. You have the right to direct the brokerage firm, bank, or other entity how to vote the shares in your account, but you may not vote your account shares in person at the annual meeting without obtaining a legal proxy from this entity giving you the right to vote these shares at the meeting; or

**A current or former Wells Fargo team member who holds shares in one or both of our Company Plans** you have the right to instruct the 401(k) Plan trustee or direct the Stock Purchase Plan custodian how to vote the shares of common stock you hold as of the record date under each plan in which you participate. The trustee will vote all shares held in the 401(k) Plan in proportion to the voting instructions the trustee actually receives from all 401(k) Plan participants in accordance with the terms of the plan, unless contrary to ERISA. If you do not give voting directions for your Stock Purchase Plan shares, these shares will not be voted. We refer to the 401(k) and Stock Purchase Plans together as the Company Plans.



**Table of Contents**

<b>Voting Method</b>	<b>Record Holder</b>	<b>Street Name Holder</b>	<b>Company Plans Participant</b>
<b>Internet*</b>	See notice of internet availability of proxy materials or proxy card for instructions on how to access on-line proxy materials and vote over the internet	See notice of internet availability of proxy materials or voting instruction form for instructions on how to access on-line proxy materials and vote over the internet	See e-mail sent to your current Company e-mail address for instructions on how to access on-line proxy materials and vote over the internet  If proxy materials received by mail, see mailed voting instruction form/proxy card for internet voting instructions
<b>Mobile device*</b>	See notice of internet availability of proxy materials or proxy card to scan printed QR Barcode, then follow prompts on your mobile device to access on-line proxy materials and vote using your device	See notice of internet availability of proxy materials or voting instruction form to scan printed QR Barcode, then follow prompts on your mobile device to access on-line proxy materials and vote using your device	If applicable, see mailed voting instruction form or proxy card to scan printed QR Barcode, then follow prompts on your mobile device to access on-line proxy materials and vote using your device
<b>Telephone*</b>	Call 1-866-883-3382 and follow the recorded instructions	May be available; see notice of internet availability of proxy materials or voting instruction form for any telephone voting instructions	See e-mail sent to your current Company e-mail address or mailed voting instruction form/proxy card for telephone voting instructions
<b>Mail (if proxy materials received by mail)</b>	Complete, sign, date, and return the proxy card	Complete, sign, date, and return voting instruction form	Complete, sign, date, and return voting instruction form (for 401(k) Plan shares)/proxy card (for Stock Purchase Plan shares)

\* If you vote by internet, by mobile device using the applicable QR Barcode, or by telephone, you will need the control number from your notice of internet availability of proxy materials or proxy card or voting instruction form. If you vote over the internet or by mobile device or telephone, please do not mail back any voting instruction form or proxy card you received. See pages 85-86 for additional information about the notice of internet availability and electronic delivery of our proxy materials.

**Can I vote in person at the annual meeting?**

If you are a stockholder of record on the record date, you can vote your shares of common stock in person at the annual meeting. If your shares are held in street name, you may vote your shares in person only if you have a legal proxy from the entity that holds your shares giving you the right to vote the shares. A legal proxy is a written document from your brokerage firm or bank authorizing you to vote the shares it holds for you in its name. If you attend the meeting and vote your shares by ballot, your vote at the meeting will revoke any vote you submitted previously over the internet, using your mobile device, by telephone, or by mail. Even if you currently plan to attend the meeting, we recommend that you also vote by proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

**What are my voting options? What vote is required and how is my vote counted?**

The table below shows your possible voting options on the items to be considered at the meeting, the vote required to elect directors and to approve each other item under our By-Laws, and the manner in which votes will be counted:

<b>Item</b>	<b>Voting</b>	<b>Vote Required</b>	<b>Effect of Abstentions</b>	<b>Effect of Non-Votes</b>	<b>Broker **</b>
-------------	---------------	----------------------	------------------------------	----------------------------	------------------

Options						
<b>Election of Directors</b>	For, Abstain	Against,	or votes cast	<b>FOR</b> the nominee must exceed the <b>AGAINST</b> the nominee.*	No effect	No effect
<b>Advisory resolution to approve executive compensation</b>	For, Abstain	Against,	or vote	Majority of the shares present in person or by proxy at the annual meeting and entitled to vote on this item <b>FOR</b> this item.	Vote against	No effect
<b>Ratification of KPMG</b>	For, Abstain	Against,	or vote	Majority of the shares present in person or by proxy at the annual meeting and entitled to vote on this item <b>FOR</b> this item.	Vote against	Not applicable

**Table of Contents**

Item	Voting		Effect of Abstentions	Effect of Non-Votes	Broker **
	Options	Vote Required			
<b>Stockholder Proposals</b>	For, Against, Abstain	Majority of the shares present in person or by proxy at the annual meeting and entitled to vote on each item vote <b>FOR</b> that item.	Vote against	No effect	

\*As required by our Corporate Governance Guidelines, each nominee for director has tendered an irrevocable resignation that will become effective if he or she fails to receive the required vote for election at the annual meeting and the Board accepts the tendered resignation. For more information on these director resignation provisions, see the information under [Director Election Standard](#).

\*\* Under NYSE rules, member-brokers are prohibited from voting a customer's shares on non-routine items (referred to as a broker non-vote) if the customer has not given the broker voting instructions on that matter. Only the proposal to ratify KPMG as independent auditors is considered routine, and a broker may vote customer shares in its discretion on this item if the customer does not instruct the broker how to vote. All of the remaining items listed above are considered non-routine, and thus a broker will return a proxy card without voting on these non-routine items if a customer does not give voting instructions on these matters.

**What is the deadline for voting before the meeting?**

If You Are:	Voting By:	Your Vote Must Be Received:
<b>A record holder</b>	Mail Internet, mobile device, or telephone	Prior to the annual meeting By 11:59 p.m., Central Daylight Time (CDT), on April 25, 2016
<b>A street name holder</b>	Mail Internet, mobile device, or telephone	Prior to the annual meeting By 11:59 p.m., Eastern Daylight Time (EDT), on April 25, 2016
<b>A participant in the Company Plans</b>	Mail Internet, mobile device, or telephone	By April 22, 2016 By 11:59 p.m., EDT, on April 24, 2016

**May I change my vote?**

Yes. If you are the record holder of the shares, you may revoke your proxy and change your vote by:

Submitting timely written notice of revocation to our Corporate Secretary at MAC #D1053-300, 301 South College Street, 30<sup>th</sup> Floor, Charlotte, North Carolina 28202 prior to the vote at the annual meeting;

If you completed and returned a proxy card, submitting a new proxy card with a later date and returning it prior to the vote at the annual meeting;

If you voted over the internet or by telephone, voting again over the internet or by telephone by the applicable deadline shown in the table above; or

Attending the annual meeting in person and voting your shares by ballot at the meeting.

If your shares are held in street name, you may revoke your voting instructions and change your vote by submitting new voting instructions to your brokerage firm, bank, or other similar entity before the deadline shown above or, if you have obtained a legal proxy from your brokerage firm, bank or other similar entity giving you the right to vote your shares, you may change your vote by attending the meeting and voting in person.

If you participate in the Company Plans, you may revoke your voting instructions and change your vote by submitting new voting instructions to the trustee or custodian of the applicable plan before the deadline shown above.

### **Is my vote confidential?**

It is our policy that documents identifying your vote are confidential. The vote of any stockholder will not be disclosed to any third party before the final vote count at the annual meeting except to meet legal requirements; to assert claims for or defend claims against the Company; to allow authorized individuals to count and certify the results of the stockholder vote; a proxy solicitation in opposition to the Board takes place; or to respond to stockholders who have written comments on proxy cards or who have requested disclosure. The Inspector of Election and those who count stockholder votes may not be team members of Wells Fargo & Company but may be team members of Wells Fargo Bank, N.A. who have been instructed to comply with this policy. Third parties unaffiliated with the Company will count the votes of participants in the Company Plans.

**Table of Contents**

**Meeting Admission Information**

**Are there any rules for admission to the annual meeting?**

You are entitled to attend the annual meeting only if you were, or you hold a valid legal proxy naming you to act for, one of our stockholders on the record date. Before we will admit you to the meeting, **you must present a valid photo ID and** a printed admission ticket available on-line as described in the chart below, or provide one of the form(s) of alternative meeting admission documentation application to you also listed in the chart below.

**Meeting Admission Documents**

Record		Proxy		
Stockholder	Street Name Holder	Company Plans Participant	for Record Stockholder	Proxy for Street Name Holder
A printed admission ticket available on-line at <a href="http://www.proxypush.com/wfc">www.proxypush.com/wfc</a>	A printed admission ticket available on-line at <a href="http://www.proxyvote.com">www.proxyvote.com</a>	A printed admission ticket available on-line at <a href="http://www.proxyvote.com">www.proxyvote.com</a>	You have a valid, written legal proxy naming you, signed by a record stockholder	You have a valid and assignable written legal proxy naming you, signed by the street name holder's bank or brokerage firm
If you do not have an admission ticket, then you need to present <b>one</b> of the following that shows your current name and address:	If you do not have an admission ticket, then you need to present <b>one</b> of the following that shows your current name and address:	If you do not have an admission ticket, then you need to present one of the following that shows your current name and address:	<u>AND</u>	<u>AND</u>
Notice of Internet Availability of Proxy Materials for 2016 Annual Meeting	Notice of Internet Availability of Proxy Materials for the 2016 Annual Meeting	A Company Plans voting instruction form/proxy card	One of the forms of meeting admission documentation (in the name of the record stockholder) that would be required to admit the record stockholder to the annual meeting	One of the forms of meeting admission documentation (in the name of the street name holder) that would be required to admit the street name holder to the annual meeting
A proxy card for the 2016 Annual Meeting	A voting instruction form for the 2016 Annual Meeting from your bank or broker	A recent Company Plans statement showing that you owned Wells Fargo common stock on March 1, 2016		
			<u>Or</u>	
If none of the above, your name must be listed in Wells Fargo's list of record	A letter from your bank or broker confirming you owned Wells Fargo common stock on			

stockholders

March 1, 2016

The record stockholder's  
name is listed in Wells Fargo's  
list of record stockholders

**If you do not have a valid photo ID and an admission ticket, or one of the other forms of proof listed in the table above showing that you owned, or are legally authorized to act as proxy for someone who owned shares of our common stock on March 1, 2016, you will not be admitted to the meeting. For purposes of admission to the annual meeting, we will not accept a Request for Admittance or similar document or a brokerage or bank statement that does not confirm ownership of our common stock on the March 1, 2016 record date.**

At the entrance to the meeting, we will inspect your photo ID, admission ticket or one of the acceptable forms of admission documentation listed in the table above, and any written proxy you present as the representative of a stockholder. We will decide **in our sole discretion** whether the documentation you present for admission to the meeting meets the requirements described above. If you hold your shares in a joint account, both owners can be admitted to the meeting if proof of joint ownership is provided and you both follow the admission procedures described above. We will not be able to accommodate guests at the annual meeting. The annual meeting will begin at 8:00 a.m. MST. Please allow ample time for the admission procedures described above.

**The use of cameras (including cell phones with photographic capabilities), recording devices and other electronic devices is strictly prohibited at the meeting.**

**If I don't attend in person, will I be able to listen to the meeting?**

Yes. Please visit our Investor Relations page under About Wells Fargo [www.wellsfargo.com](http://www.wellsfargo.com) several days before the annual meeting for information on how to listen to the live annual meeting. You will not be able to vote your shares or ask questions while you are listening to the meeting.

**Table of Contents**

**Stockholder Information for Future Annual Meetings**

**Stockholder Proposals and Director Nominations for Inclusion in the Proxy Statement for the 2017 Annual Meeting**

Stockholders interested in submitting a proposal for inclusion in the proxy statement for the Company's annual meeting of stockholders in 2017 may do so by following the procedures prescribed in SEC Rule 14a-8. To be eligible for inclusion, stockholder proposals must be received at our principal executive offices at 420 Montgomery Street, San Francisco, CA 94104 (Attention: John G. Stumpf, CEO), or by our Corporate Secretary, Anthony R. Augliera, at MAC# D1053-300, 301 South College Street, 30<sup>th</sup> Floor, Charlotte, NC 28202, no later than the close of business on November 16, 2016.

Under our By-Laws, notice of proxy access director nominees must be received by our Corporate Secretary at the address above no earlier than October 17, 2016 and no later than the close of business on November 16, 2016.

**Other Proposals and Nominations for Presentation at the 2017 Annual Meeting**

Under our By-Laws, a stockholder who wishes to nominate an individual for election to the Board or to propose any business to be considered at an annual meeting directly at the annual meeting, rather than for inclusion in our proxy statement, must deliver advance notice of such nomination or business to the Company following the procedures in the By-Laws. The stockholder must be a stockholder of record as of the date the notice is delivered and at the time of the annual meeting. The notice must be in writing and contain the information specified in the By-Laws for a director nomination or other business. The Company's 2017 annual meeting is currently scheduled to be held on April 25, 2017, and to be timely, the notice must be delivered not earlier than the close of business on December 27, 2016 (the 120<sup>th</sup> day prior to the first anniversary of this year's annual meeting) and not later than the close of business on January 26, 2017 (the 90<sup>th</sup> day prior to the first anniversary of this year's annual meeting) to our CEO and Corporate Secretary as follows: John G. Stumpf, CEO, Wells Fargo & Company, 420 Montgomery Street, San Francisco, California 94104; and Anthony R. Augliera, Corporate Secretary, MAC# D1053-300, 301 South College Street, 30<sup>th</sup> Floor, Charlotte, North Carolina 28202. However, if the Company's 2017 annual meeting is more than 30 days before or more than 60 days after the first anniversary of this year's annual meeting, such notice must be delivered not earlier than the close of business on the 120<sup>th</sup> day prior to the date of the 2017 annual meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to the date of the 2017 annual meeting or, if the first public announcement of the date of the 2017 annual meeting is less than 100 days prior to the date of such annual meeting, the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made by the Company. The Chairman or other officer presiding at the annual meeting has the sole authority to determine whether any nomination or other business has been properly brought before the meeting in accordance with our By-Laws. Management and any other person duly named as proxy by a stockholder will have the authority to vote in their discretion on any nomination for director or any other business at an annual meeting if the Company does not receive notice of the nomination or other business matter within the time frames described above or where a notice is received within these time frames, if the stockholder delivering the notice fails to satisfy the requirements of SEC Rule 14a-4.

The requirements described above are separate from the procedures you must follow to recommend a nominee for consideration by the GNC for election as a director as described under Director Nomination Process and from the requirements that a stockholder must meet in order to have a stockholder proposal pursuant to SEC Rule 14a-8 or a proxy access director nominee under our By-laws included in our proxy statement.

## **Other Information**

### **Cost of Soliciting Proxies**

We pay the cost of soliciting proxies. We have retained D.F. King & Co., Inc. to help the Board solicit proxies. We expect to pay \$17,500 plus out-of-pocket expenses for its help. Members of the Board and our team members may also solicit proxies for us by mail, telephone, fax, e-mail, or in person. We will not pay our directors or team members any extra amounts for soliciting proxies. We may, upon request, reimburse brokerage firms, banks, or similar entities representing street name holders for their expenses in forwarding the notice of internet availability of proxy materials and/or proxy materials to their customers who are street name holders and obtaining their voting instructions.

### **Electronic Delivery of Proxy Materials**

We use the SEC notice and access rule that allows us to furnish our proxy materials to our stockholders over the internet instead of mailing paper copies of those materials. As a result, beginning on or about March 16, 2016, we sent to most of our stockholders by mail a notice of internet availability of proxy materials containing instructions on how to access our



---

## **Table of Contents**

proxy materials over the internet and vote online. This notice is not a proxy card and cannot be used to vote your shares. If you received only a notice, you will not receive paper copies of the proxy materials unless you request the materials by following the instructions on the notice or on the website referred to on the notice.

We provided some of our stockholders, including stockholders who have previously requested to receive paper copies of the proxy materials and some of our stockholders who are participants in our benefit plans, with paper copies of the proxy materials instead of a notice that the materials are electronically available over the internet. If you received paper copies of the proxy materials, we encourage you to help us save money and reduce the environmental impact of delivering paper proxy materials to stockholders by signing up to receive all of your future proxy materials electronically, as described below.

If you own shares of common stock in more than one account—for example, in a joint account with your spouse and in your individual brokerage account—you may have received more than one notice or more than one set of paper proxy materials. To vote all of your shares by proxy, please follow each of the separate proxy voting instructions that you received for your shares of common stock held in each of your different accounts.

## **How to Receive Future Proxy Materials Electronically**

Although you may request to receive paper copies of the proxy materials, we would prefer to send proxy materials to stockholders electronically. Stockholders who sign up to receive proxy materials electronically will receive an e-mail prior to next year's annual meeting with links to the proxy materials, which may give them faster delivery of the materials and will help us save printing and mailing costs and conserve natural resources. Your election to receive proxy materials by e-mail will remain in effect until you terminate your election. To receive proxy materials by e-mail in the future, follow the instructions described below or on the notice.

If we sent you paper copies of the proxy materials by mail and you would like to sign up to receive these materials electronically in the future, please have your proxy card available and register using one of the following choices:

### **Record Holders**

If you are the record holder of your shares, you may either go to [www.proxydocs.com/wfc](http://www.proxydocs.com/wfc) and follow the instructions for requesting meeting materials or call 1-866-870-3684.

### **Street Name Holders**

If you hold your shares in street name, you may either go to [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions to enroll for electronic delivery or contact your brokerage firm, bank, or other similar entity that holds your shares.

If you have previously agreed to electronic delivery of our proxy materials, but wish to receive paper copies of these materials for the annual meeting or for future meetings, please follow the instructions on the website referred to on the electronic notice you received.

## **Householding**

SEC rules allow a single copy of the proxy materials or the notice of internet availability of proxy materials to be delivered to multiple stockholders sharing the same address and last name, or who we reasonably believe are members of the same family and who consent to receive

## Edgar Filing: WELLS FARGO & COMPANY/MN - Form DEF 14A

a single copy of these materials in a manner provided by these rules. This practice is referred to as householding and can result in significant savings of paper and mailing costs.

Because we are using the SEC's notice and access rule, we will not household our proxy materials or notices to stockholders of record sharing an address. This means that stockholders of record who share an address will each be mailed a separate notice or paper copy of the proxy materials. However, we understand that certain brokerage firms, banks, or other similar entities holding our common stock for their customers may household proxy materials or notices. Stockholders sharing an address whose shares of our common stock are held by such an entity should contact such entity if they now receive (1) multiple copies of our proxy materials or notices and wish to receive only one copy of these materials per household in the future, or (2) a single copy of our proxy materials or notice and wish to receive separate copies of these materials in the future. Additional copies of our proxy materials are available upon request by contacting:

Wells Fargo & Company

MAC #D1053-300

301 South College Street, 30<sup>th</sup> Floor

Charlotte, North Carolina 28202

Attention: Corporate Secretary

1-866-870-3684

**Table of Contents****Acronyms Used in this Proxy Statement**

<b>AEC</b>	Audit and Examination Committee	<b>IRC</b>	U.S. Internal Revenue Code of 1986, as amended
<b>CD&amp;A</b>	Compensation Discussion and Analysis	<b>IRS</b>	U.S. Internal Revenue Service
<b>CDT</b>	Central Daylight Time	<b>LTICP</b>	Long-Term Incentive Compensation Plan
<b>Cook &amp; Co.</b>	Frederic W. Cook & Co., Inc.	<b>MST</b>	Mountain Standard Time
<b>CRC</b>	Corporate Responsibility Committee	<b>NOL</b>	Net Operating Loss
<b>EDT</b>	Eastern Daylight Time	<b>NYSE</b>	New York Stock Exchange
<b>EPS</b>	Earnings Per Share	<b>PCAOB</b>	Public Company Accounting Oversight Board
<b>ERISA</b>	Employee Retirement Income Security Act of 1974, as amended	<b>RSR</b>	Restricted share right
<b>GNC</b>	Governance and Nominating Committee	<b>RORCE</b>	Return on Realized Common Equity
<b>HRC</b>	Human Resources Committee	<b>SEC</b>	U.S. Securities and Exchange Commission

**Directions to the 2016 Annual Meeting****Hyatt Regency Scottsdale at Gainey Ranch**

7500 East Doubletree Ranch Road, Scottsdale, Arizona 85258

The Hyatt Regency Scottsdale at Gainey Ranch (the Hyatt ) is located in Scottsdale, Arizona on East Doubletree Ranch Road, approximately 20 minutes from the Sky Harbor International Airport in Phoenix, Arizona. Self-parking is available at your cost on the hotel property.

**From Phoenix Sky Harbor International Airport (approximately 18 miles):**

Exit the airport following the signs to 202 East. Take the 202 East to the 101 North. Continue on 101 North to the Via De Ventura Exit and turn left. Travel west for approximately 2.5 miles; Via De Ventura will become East Doubletree Ranch Road. The Hyatt will be on the right side just before Scottsdale Road. Approximate driving time from airport: 20 minutes.

**From Points North towards Phoenix, AZ:**

Follow Interstate 17 South to Route 101 East toward Phoenix, AZ. Travel on Route 101 East to Exit 43 (Via de Ventura). Turn right on Via de Ventura, which will become East Doubletree Ranch Road. After 2.5 miles, the entrance to the Hyatt will be on the right side of East Doubletree Ranch Road.

**From Points South towards Phoenix, AZ:**

Follow I-10 West toward Phoenix, AZ. Take Exit 161 Pecos Road / AZ-202 Loop E. Stay on 202 E to Exit 50A, AZ-101 Loop North. Follow 101 North to Exit 43, Via de Ventura, and turn left onto Via de Ventura, which will become East Doubletree Ranch Road. The entrance to the Hyatt will be on the right side of East Doubletree Ranch Road.

**From Points West towards Phoenix, AZ:**

Take I-10 East towards Phoenix, AZ. Take left Exit 147B to access Route 51 North. Follow Route 51 North to Exit 9 (Shea Boulevard) and stay right on the fork to turn right onto Shea Boulevard. Continue east for approximately 3 miles. Turn right on North Scottsdale Road. After 1 mile, turn left onto East Doubletree Ranch Road. The entrance to the Hyatt is the first left turn after the first stop light on East Doubletree Ranch Road.

**From Points Southwest towards Phoenix, AZ:**

Take Route 85 North to I-10 East toward Phoenix, AZ. Take Exit 147B (on the left) for Route 51 North. Continue on Route 51 to Exit 9 (Shea Boulevard) and stay right on the fork to turn right onto Shea Boulevard. Continue east for approximately 3 miles. Turn right on North Scottsdale Road. After 1 mile, turn left onto East Doubletree Ranch Road. The entrance to the Hyatt is the first left turn after the first stop light on East Doubletree Ranch Road.

**Table of Contents**

CCM4521

Table of Contents

**WELLS FARGO & COMPANY**

**WELLS FARGO & COMPANY**

Shareowner Services

P.O. Box 64945

St. Paul, MN 55164-0945

**This proxy is solicited by the Board of Directors of Wells Fargo & Company (the Company ) for use at the Annual Meeting of Stockholders to be held on Tuesday, April 26, 2016, at 8:00 a.m., Mountain Standard Time (MST), at the Hyatt Regency Scottsdale at Gainey Ranch, 7500 East Doubletree Ranch Road, Scottsdale, Arizona 85258.**

Address Change? Mark box, sign, and indicate changes below: "

TO VOTE BY INTERNET OR TELEPHONE SEE REVERSE SIDE OF THIS PROXY CARD

TO VOTE BY MOBILE DEVICE, SCAN THE QR BARCODE BELOW AND SEE REVERSE SIDE OF THIS PROXY CARD.

TO VOTE BY MAIL, COMPLETE THIS PROXY CARD AND RETURN THE ENTIRE PROXY CARD **DO NOT SEPARATE IT** IN THE ENCLOSED ENVELOPE

By signing this proxy, the undersigned hereby revokes all prior proxies, and appoints Hope A. Hardison, Michael J. Loughlin and James M. Strother, and each of them, with full power of substitution, as proxies to vote all shares of the Company's common stock held of record by the undersigned at the close of business on March 1, 2016, which the undersigned would be entitled to vote if personally present at the Annual Meeting or at any adjournment or postponement thereof, as specified on this proxy card. **If properly executed, this proxy will be voted as you direct below. If this proxy is executed but no direction is indicated, this proxy will be voted FOR Items 1, 2, and 3, AGAINST Items 4 and 5, and in the discretion of the proxies upon such other matters as may properly come before the Annual Meeting and any adjournment**

or postponement thereof. The Board recommends a vote **FOR** Items 1, 2, and 3, and a vote **AGAINST** Items 4 and 5.

$\frac{3}{4}$  Please fold here Do not separate  $\frac{1}{2}$

The Board of Directors recommends you vote **FOR** the following proposals:

1. Election of directors:	For	Against	Abstain	For	Against	Abstain
1(a) John D. Baker II	..	..	..	1(l) Stephen W. Sanger	..	..
1(b) Elaine L. Chao	..	..	..	1(m) John G. Stumpf	..	..
1(c) John S. Chen	..	..	..	1(n) Susan G. Swenson	..	..
1(d) Lloyd H. Dean	..	..	..	1(o) Suzanne M. Vautrinot	..	..
1(e) Elizabeth A. Duke	..	..	..			
1(f) Susan E. Engel	..	..	..	<b>2.</b> Advisory resolution to approve executive compensation.	..	..
1(g) Enrique Hernandez, Jr.	..	..	..	<b>3.</b> Proposal to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2016.	..	..
1(h) Donald M. James	..	..	..			
1(i) Cynthia H. Milligan	..	..	..	<b>The Board of Directors recommends you vote AGAINST the following proposals:</b>		
1(j) Federico F. Peña	..	..	..		..	..

1(k) James H. Quigley

.. ..

4. Stockholder proposal to adopt a policy to require an independent chairman.

5. Stockholder proposal to provide a report on the Company's lobbying policies and practices.

.. ..

Date

\_\_\_\_\_

This proxy will be valid until the first of the following two dates to occur: the date that is one year from the date shown below or the date the Annual Meeting is completed.

If you plan on attending the Annual Meeting, please check the box: ..

Signature(s) in Box

Please sign exactly as your name(s) appears on proxy card. If held in joint tenancy, all persons must sign. Trustees, administrators, etc., should include title and authority. Corporations should provide full name of corporation and title of authorized officer signing the proxy.



**Table of Contents**

**WELLS FARGO & COMPANY**

**HYATT REGENCY SCOTTSDALE AT GAINEY RANCH**

**7500 EAST DOUBLETREE RANCH ROAD**

**SCOTTSDALE, ARIZONA 85258**

**2016 ANNUAL MEETING OF STOCKHOLDERS**

**TUESDAY, APRIL 26, 2016**

**8:00 a.m., Mountain Standard Time (MST)**

**ACCESS PROXY MATERIALS BY INTERNET OR MOBILE DEVICE**

You can access our proxy materials over the internet or using your mobile device. Please have this proxy card available and go to the following internet address: [www.proxydocs.com/wfc](http://www.proxydocs.com/wfc) or, using your mobile device, scan the QR Barcode on the reverse side of this card to access the materials.

Please help the environment by signing up at the following internet address: [www.investorelections.com/wfc](http://www.investorelections.com/wfc) to receive all your future annual meeting materials electronically.

**$\frac{3}{4}$  Please fold here Do not separate  $\frac{1}{2}$**

**VOTE BY INTERNET, MOBILE DEVICE, TELEPHONE, OR MAIL**

**TO VOTE BY INTERNET OR MOBILE DEVICE: GO TO THE INTERNET ADDRESS:  
[www.proxypush.com/wfc](http://www.proxypush.com/wfc), OR SCAN THE QR BARCODE ON THE REVERSE SIDE OF THIS CARD**

Use the internet or your mobile device to vote by proxy 24 hours a day, 7 days a week, until 11:59 p.m., CDT on April 25, 2016.

Please have your proxy card and the last four digits of your social security number or tax identification number available. Follow the simple instructions when prompted.

Do not mail back your proxy card.

**TO VOTE BY TELEPHONE: CALL TOLL FREE ON A TOUCH-TONE TELEPHONE: 1-866-883-3382**

Use any touch-tone telephone to vote by proxy 24 hours a day, 7 days a week, until 11:59 p.m., CDT on April 25, 2016.

Please have your proxy card and the last four digits of your social security number or tax identification number available. Follow the simple instructions when prompted.

Do not mail back your proxy card.

**TO VOTE BY MAIL: PLEASE SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE. PLEASE RETURN THE ENTIRE PROXY CARD. DO NOT SEPARATE IT.**

#### **ATTENDING THE ANNUAL MEETING**

You may choose to attend the annual meeting and vote in person at the meeting. If you wish to attend the annual meeting, you must follow the requirements for meeting admission contained in the 2016 proxy statement. You must present a valid photo ID and proof of stock ownership or an admission ticket, which you can obtain and print by following the admission ticket link at [www.proxypush.com/wfc](http://www.proxypush.com/wfc), to be admitted to the annual meeting.

**Table of Contents**

***WELLS FARGO & COMPANY***

***WELLS FARGO CENTER***

***90 SOUTH 7<sup>TH</sup> STREET - 17<sup>TH</sup> FLOOR***

***MINNEAPOLIS, MN 55402-3903***

**SCAN TO  
VIEW MATERIALS & VOTE**

**VOTE BY INTERNET OR BY MOBILE DEVICE -  
[www.proxyvote.com](http://www.proxyvote.com) or scan the QR Barcode above**

Use the internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Daylight Time (EDT), on April 24, 2016. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY  
MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the internet. To sign up for electronic delivery, please follow the instructions above to vote using the internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. EDT, on April 24, 2016. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**SHAREHOLDER MEETING REGISTRATION:** To vote and/or obtain an admission ticket to attend the meeting, go to [shareholder meeting registration link](#) at [www.proxyvote.com](http://www.proxyvote.com).

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E04580-P72310-Z67068-Z67069

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**WELLS FARGO & COMPANY**

**The Board of Directors recommends you vote FOR the**

**following proposals:**

1. Election of Directors

**Nominees:**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
1a) John D. Baker II	..	..	..
1b) Elaine L. Chao	..	..	..
1c) John S. Chen	..	..	..
1d) Lloyd H. Dean	..	..	..
1e) Elizabeth A. Duke	..	..	..
1f) Susan E. Engel	..	..	..
1g) Enrique Hernandez, Jr.	..	..	..
1h) Donald M. James	..	..	..
1i) Cynthia H. Milligan	..	..	..
1j) Federico F. Peña	..	..	..



**Table of Contents**

**WELLS FARGO & COMPANY**  
**2016 ANNUAL MEETING OF STOCKHOLDERS**

**TUESDAY, APRIL 26, 2016**

**8:00 A.M., Mountain Standard Time (MST)**

**VOTE BY INTERNET, MOBILE DEVICE, TELEPHONE, OR MAIL**

If you vote by internet, mobile device, telephone, or mail, you authorize, as applicable, the 401(k) Plan trustee or the Stock Purchase Plan custodian to designate Hope A. Hardison, Michael J. Loughlin and James M. Strother, and each of them, with full power of substitution, as proxies, to vote the shares as you instruct at the Annual Meeting, or at any adjournment or postponement thereof. Voting by internet, mobile device or telephone is a proxy vote in the same manner as if you had marked, signed, and returned this voting instruction form and proxy card.

**Important Notice Regarding Availability of Proxy Materials for the Stockholder Meeting To Be Held**

**on April 26, 2016:**

The 2016 Notice and Proxy Statement and 2015 Annual Report are available at

<https://materials.proxyvote.com/949746>

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by Wells Fargo & Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically by e-mail or over the internet. To sign up for electronic delivery, please follow the instructions on the reverse side of this voting instruction form and proxy card to vote using the internet and, when prompted, indicate that you agree to receive or access proxy material electronically in future years.

E04581-P72310-Z67068-Z67069

**WELLS FARGO & COMPANY**

**420 Montgomery Street, San Francisco, California 94104**

**This voting instruction form and proxy card is solicited by the Board of Directors of Wells Fargo & Company (the Company) for use at the Annual Meeting of Stockholders to be held on Tuesday, April 26, 2016, at 8:00 a.m., MST, from persons who participate in the (1) Wells Fargo & Company 401(k) Plan (the 401(k) Plan) and/or (2) Wells Fargo & Company Stock Purchase Plan (the Stock Purchase Plan) or any combination of these plans.**

By signing this voting instruction form and proxy card: (a) if the undersigned participates in the 401(k) Plan, the undersigned revokes any prior instructions, and hereby instructs Wells Fargo Bank, National Association (WFB), the 401(k) Plan trustee, to exercise the voting rights relating to any shares of the Company's common stock allocable to his or her 401(k) Plan account as of March 1, 2016, at the Annual Meeting or any adjournments or postponements thereof as specified on this voting instruction form and proxy card; and/or (b) if the undersigned participates in the Stock Purchase Plan, the undersigned revokes any prior proxies, and hereby directs WFB, the custodian of the Stock Purchase Plan, to vote all shares of the Company's common stock credited to his or her Stock Purchase Plan account as of March 1, 2016 at the Annual Meeting or any adjournments or postponements thereof as specified on this voting instruction form and proxy card.

**If properly executed, this voting instruction form and proxy card will be voted as you direct on the reverse side. If no direction is indicated, this voting instruction form and proxy card will be voted *FOR* Items 1, 2 and 3, *AGAINST* Items 4 and 5, and in the discretion of the proxies, upon such other matters as may properly come before the Annual Meeting.**

Broadridge Financial Solutions, Inc. (Broadridge), as tabulation agent, will tabulate the votes by mail from all participants in the 401(k) Plan and the

Stock Purchase Plan received before 11:59 p.m., Eastern Daylight Time (EDT), on April 22, 2016, and by internet, mobile device and telephone before

11:59 p.m., EDT, on April 24, 2016. Broadridge will provide the total voting results for all 401(k) Plan shares to WFB which will then determine the ratio of votes received for and against each item. WFB will then vote all 401(k) Plan shares according to the same ratios. Broadridge will also provide the voting results for all Stock Purchase Plan shares to WFB which will then vote such shares as directed by the participants at the Annual Meeting.

**TO VOTE BY INTERNET, MOBILE DEVICE, TELEPHONE, OR MAIL-SEE REVERSE SIDE**