

## **Wells Fargo - 2020**

Our Company is suffering a prolonged crisis of public, government and consumer trust, paying over 17.2 Billion dollars in penalties since 2000;

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

Government regulators have also lost confidence in the Company —the Federal Reserve has capped the bank's assets, ordered our Company to replace four directors, and cited “widespread insurance abuse”; the Consumer Financial Protection Bureau and Office of the Comptroller of the Currency settled for \$1 Billion for failure to manage risk, and the United States Department of Justice settled for \$2 Billion over mortgage backed securities originated by Wells Fargo;

Observers are sending clear signals that the Company's license to operate remains at risk - in 2018, a retired Supreme Court justice called for the death penalty for Wells Fargo, “revoking its corporate charter forever...” and in a House Financial Services Committee hearing, the Chair stated, “Wells Fargo's ongoing lawlessness and failure to right the ship, suggests the bank... is simply too big to manage”, and “regulators seem unwilling to take forceful actions”;

Our Board of Directors have a duty of care and loyalty, to be fully informed by seeking outside advice and other resources to respond to this intractable crisis;

The Delaware General Corporation Law allows our Company to amend its certificate of incorporation to become a Public Benefit Corporation which is defined as a corporation “intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner”;

As such, our Company would have expanded accountability to shareholders for the interests of those materially affected by the corporation’s conduct, including depositors, regulators and others who have lost trust in the Company, and an obligation to report on the Company’s impact on those stakeholders;

**Resolved:** that Shareholders request the Board to commission an independent study, utilizing outside experts, with a report and recommendations to shareholders by October 2020, to assess the feasibility of taking the necessary actions to become a Delaware Public Benefit Corporation, or otherwise implementing similarly enforceable public purpose, accountability and reporting measures to the Company’s corporate governance documents to protect the interests of our Company’s critical stakeholders but without becoming such a Public Benefit Corporation.

**Supporting Statement:** The proponent believes a fundamental change in our Company’s purpose is necessary to transcend the fumbled attempts to reorganize in the face of the crisis, and rebuild confidence of consumers, government and the public. The proponent also believes our Company’s shareholders are best served by ensuring the Company pursues shareholder returns in a manner that does not diminish the underlying economy and ecosystem vital to the Company’s long-term performance, and to the wellbeing of share owners and the beneficiaries of institutional investors.