

By Overnight Mail

October 4, 2016

Mr. Anthony R. Augliera
Corporate Secretary
Wells Fargo & Company
MAC# D1053-300
301 South College Street, 30th Floor
Charlotte, NC 28202

Re: Shareholder proposal

Dear Mr. Augliera:



Timothy Brennan

Treasurer and
Chief Financial Officer

The Unitarian Universalist Association (UUA), a holder of 8,151 shares in Wells Fargo & Co., is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. The resolution requests that the Board Compensation Committee assess the feasibility of integrating responsiveness to sustainability metric and Code of Ethics Business Conduct into the performance measures of senior Wells Fargo executives under the Company's compensation incentive plans and report the results to shareholders. The UUA will be joined in this filing by Clean Yield Asset Management who will submit documentation separately.

The Unitarian Universalist Association (UUA) is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$174 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting.

Verification that we are beneficial owners of the requisite shares of Wells Fargo & Co. is enclosed. If you have questions or wish to discuss the proposal, please contact me by email at tbrennan@uua.org or by phone at 617-948-4305.

Yours very truly,



Timothy Brennan

C: Shelley Alpern, Clean Yield Asset Management

Enclosure: Shareholder resolution
Verification of ownership

Linking Executive Pay to Ethical Business Conduct and Sustainability

RESOLVED: Shareholders request the Board Compensation Committee assess the feasibility of integrating responsiveness to sustainability metrics and Code of Ethics Business Conduct ("Code") into the performance measures of senior Wells Fargo executives under the Company's compensation incentive plans and report the results to shareholders.

SUPPORTING STATEMENT:

Effectively managing for sustainability offers positive opportunities for companies and, we believe, should be one key metric by which executives are evaluated. Wells Fargo has published in-depth information about its sustainability leadership and how this is good business for the bank. The bank also strongly endorses their Code as guiding principles for employees.

However, widespread fraud impacting 2 million customer accounts, a fine of \$185 million by the Consumer Financial Protection Bureau and dismissal of 5,300 bank employees highlights the urgent necessity of setting new standards for compensation and bonuses that reinforce ethical behavior and penalize irresponsible or illegal behavior.

Linking sustainability metrics and Wells Fargo Code of Ethics and Business Conduct to executive compensation could reduce risks, incent employees to meet sustainability and ethical goals and increase accountability. Examples might include: greenhouse gas emission reduction measurements, whether employee behavior violated Wells Fargo's Code, progress on diversity, how often the bank was fined or faced legal action.

Numerous studies suggest companies that integrate environmental, social and governance factors into their business strategy and executive compensation formulas reduce reputational, legal and regulatory risks and improve long-term performance.

And numerous companies already include sustainability and ethical conduct as a factor in bonus pay as they evaluate executive performance. This includes companies like Intel and IBM.

According to the largest study of CEOs on sustainability to date (*CEO Study on Sustainability 2013*, UN Global Compact and Accenture):

- 76 percent believe embedding sustainability into core business will drive revenue growth and new opportunities.
- 93 percent regard sustainability as key to success.

- 86 percent believe sustainability should be integrated into compensation discussions, and 67 percent report they already do.

The Glass Lewis report *In Depth: Linking Executive Pay to Sustainability* (2016) finds a “mounting body of research showing that firms that operate in a more responsible manner may perform better financially.”

A 2012 report by the United Nations Principles for Responsible Investment and the UN Global Compact found “the inclusion of appropriate Environmental, Social and Governance (ESG) issues within executive management goals and incentive schemes can be an important factor in the creation and protection of long-term shareholder value.”

In addition, having a clear signal that compensation is linked to living up to the bank’s Code and “Vision and Values” reinforces positive ethical conduct. We believe the consumer fraud and resultant scandal should be addressed in part by amending the executive pay and bonus formula.

Adopting this proposal may mitigate risks associated with CEO and executive pay and encourage more sustainable operations. The proponents encourage shareholders to vote in support.