

## Wells Fargo: Committed to Rebuilding Trust

# Progress Report

**Wells Fargo has taken a series of steps to address improper sales practices, and we are making critical changes to rebuild the trust of our customers and team members. While there is still much work to be done, here are some actions Wells Fargo has already taken on our path to making things right, fixing the problems, and building a better bank:**

### Completed Actions to Date

#### *Leadership*

- ☑ Elected Tim Sloan to be Chief Executive Officer and appointed a new executive to lead the Community Bank.
- ☑ Elected an independent Chairman to lead the Board of Directors, and implemented a new requirement that this role and the role of CEO be held by separate people.
- ☑ Added two new highly qualified independent directors to the Wells Fargo board.
- ☑ Created a new Change Leader position in the Community Bank to lead the Change Initiative, redefining the business model in branches and call centers to focus on the customer experience.
- ☑ Established a dedicated office to oversee a companywide Rebuilding Trust Program.
- ☑ Terminated four current and former managers in Community Bank for cause due to sales practices; none received a 2016 bonus and each forfeited all outstanding equity awards and stock options.
- ☑ Eliminated 2016 bonuses and reduced 2014 Performance Shares by up to 50% for eight Operating Committee members.
- ☑ Released findings from the Board of Directors' independent investigation of retail banking sales practices and related matters, which included additional compensation actions. Total compensation actions now exceed \$180 million after board mandated additional forfeitures and clawbacks from the former CEO and former head of the Community Bank.

#### *Customers*

- ☑ Refunded \$3.26 million to customers for fees incurred by potentially unauthorized deposit, credit card, and line of credit accounts.
- ☑ Expanded the company's customer complaint servicing and resolution process and reached out to 40 million retail and 3 million small business customers asking them to contact us with any concerns about their accounts.
- ☑ Began sending automatic notifications to customers after a personal or small business checking account, savings account, or credit card has been opened.
- ☑ Established a dedicated hotline for customers with concerns about their accounts, or any aspect of their relationship with Wells Fargo. Customer service representatives are available 24/7 at (877) 924-8697.
- ☑ Launched a special page at [wellsfargo.com/commitment](http://wellsfargo.com/commitment) to keep customers updated on the latest developments.
- ☑ Offering multiple ways for potentially impacted customers to work with us, including engaging with Wells Fargo through our complaints program, free mediation, or participating in a class-action settlement.

Together we'll go far



## Completed Actions to Date

### *Incentives*

- Eliminated product sales goals for retail bankers.
- Created a new compensation plan for retail bankers focused on customer experience, stronger oversight and controls, and team versus individual incentives.
- Discontinued reporting the cross-sell metric as a measure of success for our retail bank.

### *Risk Management & Integrity*

- Launched the Office of Ethics, Oversight and Integrity to centralize the handling of internal investigations, complaints oversight, and sales practices oversight. The new team will work to ensure that we are doing business in a way that is consistent with our vision and values.
- Strengthened our risk framework by centralizing core functions like HR and Risk.

### *Team Members*

- Raised the minimum wage base range for entry level team members to \$13.50 - \$17.00 per hour.
- Made enhancements to the EthicsLine intake process and hired an outside expert to help identify possibilities for additional improvements.
- Expanded the “Raise Your Hand” initiative encouraging team members to speak up when they see something unethical – or if they have an idea to help reduce risk.
- Established a process – in addition to the existing termination appeal review – enabling former team members to request a review of their termination decision.
- Established a special recruiting team to assist former team members who remain eligible for rehire and to identify opportunities for reemployment with Wells Fargo.

## In Progress

- Developing a process to identify customers whose credit might have been affected by unauthorized account openings, and determining ways to make things right.
- Voluntarily expanding review and remediation of customer accounts to include the years 2009 and 2010.
- Increasing oversight of our retail bank monitoring activities – a \$50 million investment annually – including a mystery shopper program involving 15,000–20,000 visits a year and an additional 600 conduct risk reviews each year in branches across the U.S.
- A review of our sales practices across Wells Fargo by a third-party consultant.
- Hiring additional risk professionals, providing greater oversight in the retail bank.
- Conducting a Conversations Tour for Wells Fargo leaders to address concerns of team members in communities across the U.S. and collect their thoughts on how to build a better Wells Fargo for the future.
- Launching a holistic approach to hiring and recruiting to underscore our focus on having team members who can deliver a high quality customer experience and help rebuild trust.
- Conducting a culture survey in May 2017 with all team members and using the results to develop a clear set of actions that will help Wells Fargo foster an ethical, inclusive, and customer-focused culture.

**For additional information, visit:** [www.wellsfargo.com/commitment](http://www.wellsfargo.com/commitment)