

## 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 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.
- ☑ Named Betsy Duke chair of the Board of Directors, effective Jan. 1, 2018; named three new independent board members since February 2017; and announced several changes in board committee leadership and membership.
- ☑ Announced new leaders and organizational structure in the Community Bank, creating a more streamlined and efficient organization, and created a new Change Leader position, responsible for 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 a number of Community Bank managers for cause due to sales practice-related issues.
- ☑ 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.

### Customers

- ☑ Refunded or paid more than \$7 million to customers, including through working with customers directly and offering free mediation services.
- ☑ 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 24/7 toll-free number 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](https://wellsfargo.com/commitment) to keep customers updated on the latest developments.
- ☑ Received approval for the class-action settlement agreement for retail sales practices, which sets aside \$142 million for remediation and settlement expenses to cover customers and former customers with claims of unauthorized accounts back to 2002.
- ☑ Engaged a third-party to conduct a detailed analysis of our customers' accounts to help identify potential harm and expanded the review time period to eight years – 2009 through 2016, almost double the original analysis.

Together we'll go far



## Completed Actions to Date

### *Incentives*

- Eliminated product sales goals for retail bankers who serve customers in bank branches and call centers.
- Created a new compensation and performance management plan for retail bankers focused on customer experience, stronger oversight and controls, and team versus individual incentives.

### *Risk Management & Integrity*

- Created a Conduct Management Office to centralize the handling of internal investigations, EthicsLine and ethics oversight, complaints management, and sales practice oversight.
- Strengthened our risk framework by centralizing core functions like HR and Risk.

### *Team Members*

- Raised the minimum wage base range for U.S.-based 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 to enable former team members to request a termination review regarding termination or resignation allegedly due to sales performance/culture reasons. Those who are eligible for reemployment have an opportunity to work with a special recruiting team to identify and explore opportunities for reemployment with Wells Fargo.
- Collected team member feedback on our culture through pulse surveys and a comprehensive culture assessment.

## In Progress

- 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.
- 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.
- Sending letters to customers we identified who may have incurred financial harm as a result of unacceptable retail sales practices as determined in our expanded review of our customers’ accounts, providing either a refund check from Wells Fargo or a credit to their existing account.
- Sending notices about the \$142 million class-action settlement to customers, making them aware of their eligibility to possibly receive compensation under this broad and far-reaching settlement agreement.
- Seeking out every area in need of improvement to identify and fix problems, be transparent and open about what we find, and make things right, including remediating more than \$80 million to customers due to issues related to auto Collateral Protection Insurance policies.
- Began the roll out of transformational changes to processes, coaching and customer interaction within the Community Bank to take customer and team member experience to a new level.

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