

NOTICE OF EXEMPT SOLICITATION (VOLUNTARY)
Prepared in the format of Rule 14a-103

Name of the Registrant: Wells Fargo & Company
Name of persons relying on exemption: National Legal and Policy Center
Address of persons relying on exemption: 107 Park Washington Court, Falls Church, VA 22046

Written materials are circulated to interested parties under guidelines related to Rule 14a-6(g) (1) promulgated under the Securities Exchange Act of 1934. Reporter of this notice does not beneficially own more than \$5 million of securities in the Registrant company. Submission of this report to the Securities and Exchange Commission is not required of this shareholder (and not even allowed by the SEC) under the terms of the Rule.

Notice of Independent Exempt Solicitation: *This communication is a private, exempt solicitation being circulated independently by the National Legal and Policy Center (“NLPC”). It is not being filed with the SEC pursuant to revised C&DI 126.06. This material is provided solely for your independent research and **does not constitute a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; NLPC is not able to vote your proxies, nor does this communication contemplate such an event.** NLPC urges shareholders to vote following the instructions provided on management’s proxy mailing. Statements reflecting characterizations, evaluations, or assessments of individuals or corporate conduct represent the opinion of NLPC based on the publicly documented record cited herein. The following information **should not be construed as investment advice.***

Section 13(d) Non-Coordination: *NLPC is acting unilaterally. This communication does not create, and is not intended to create, a “group” for purposes of Section 13(d) of the Exchange Act. NLPC does not seek any agreement, arrangement, or understanding regarding the voting or disposition of securities, **nor will NLPC join in any such joint agreement if asked.** Recipients are expected to make their own independent voting decisions.*



PROXY MEMORANDUM

TO: Shareholders of Wells Fargo & Company
RE: The case for voting **FOR Item 5** on Page 104 of the 2026 Proxy Ballot (“Request for Board of Directors to Adopt Policy for an Independent Chair”)

Photo credits follow at the end of the report.

EXECUTIVE SUMMARY: Wells Fargo & Company Annual Meeting — April 28, 2026

National Legal and Policy Center (NLPC) urges shareholders of Wells Fargo & Company to vote **FOR Item 5** on the 2026 proxy ballot, which would require the company to separate the roles of Chairman of the Board and Chief Executive Officer and fill the Chair position with an independent director.

The governance case is straightforward: a CEO who also serves as Chairman effectively presides over the body responsible for evaluating, compensating, and — if necessary — removing him. As Glass Lewis warned in 2025, such an arrangement "can allow a CEO to have an entrenched position, leading to longer-than-optimal terms, fewer checks on management, less scrutiny of the business operation, and limitations on independent, shareholder-focused goal-setting by the board." This is not a theoretical concern at Wells Fargo. It is the demonstrable reality.

Charles Scharf was recruited to remediate a badly damaged institution. But his stewardship record is considerably less flattering than recent media coverage suggests. Under his watch, the OCC assessed a \$250 million civil money penalty in September 2021 for the bank's failure to meet requirements from a 2018 consent order. Then, just months before the bank claimed it had turned the compliance corner, the OCC issued a new formal enforcement action in September 2024 identifying anti-money laundering deficiencies. The Federal Reserve's asset cap — imposed as a consequence of the fake-accounts scandal — was not lifted until June 2025, more than five and a half years into Scharf's tenure.

Meanwhile, Wells Fargo's profitability continues to lag. JPMorgan Chase reported a return on equity of approximately 18% in 2024. Wells Fargo's return on common equity stood at approximately 12% for the same period. Morningstar has noted that Wells Fargo "may be structurally less profitable than its peers" as a long-term consequence of its constrained growth years. Over the past decade, Wells Fargo has generated an annualized total return of approximately 8.89%, compared with Bank of America's 17.48%.

The governance decision that followed the asset cap removal was alarming. On July 31, 2025 — barely two months after the Federal Reserve acted — the board simultaneously awarded Scharf a \$30 million equity grant and announced its intention to name him Chairman. The company then disclosed that Scharf's total 2025 compensation would reach \$94.52 million, more than double the \$40 million figure announced just weeks earlier. That the board chose to eliminate independent oversight at the precise moment it awarded its CEO an extraordinary pay package is exactly the kind of self-reinforcing governance failure an independent chair is designed to prevent.

Scharf's tenure has also been marked by costly social agenda missteps: a \$85 million class-action settlement over "sham" diversity hiring practices, the OCC's identification of Wells Fargo among banks that restricted services to lawful businesses on political rather than financial grounds, and the whiplash reversal of a net-zero commitment made with considerable public fanfare — abandoned in less than four years.

Notably, Wells Fargo's own bylaws *previously required* an independent chair, and were changed specifically to allow Scharf to assume the role. The company had it right the first time.

Among S&P 500 companies, 61% now separate the Chair and CEO roles, and 42% have an independent chair — both figures rising steadily since 2015. Shareholders should insist that Wells Fargo join them.

NLPC urges you to VOTE FOR Item 5 on the 2026 Wells Fargo proxy ballot.

Introduction

National Legal and Policy Center urges shareholders to vote for Item 5, which requires an independent Chair of the Board, to ensure robust oversight of Wells Fargo's management. As both CEO and Chairman, Charles Scharf effectively serves as his own supervisor—a structural conflict that has coincided with years of lagging stock



performance and a preoccupation with partisan social agendas. By separating these roles, Wells Fargo can restore the accountability necessary to navigate its remaining regulatory hurdles and prioritize the interests of all shareholders over executive entrenchment.

Professional, Practical, and Philosophical Justifications for an Independent Chair

One person occupying both the Chair and CEO roles at the same time infuses that leader with an inordinate amount of insufficiently checked power. The core issue is not whether a particular CEO is competent or well-intentioned. It is that governance should be designed for the reality of human incentives, imperfect information, and the inevitability of high-stakes inflection points. A board is meant to supervise management on behalf of owners; a CEO is meant to manage the enterprise. When those functions are fused in one person, the system asks an individual to preside over the body that must evaluate, compensate, discipline, and—if necessary—replace him. Shareholders should prefer rules that remain sound regardless of who occupies the offices. In that sense, an independent chair policy is a form of institutional “precommitment.” It preserves checks and balances not only when times are good, but when pressure, urgency, and reputational risk are highest.

As the legendary late ITT Corporation CEO Harold Geneen wrote in his 1984 book *Managing*:¹

If the board of directors is really there to represent the interests of the stockholders, what is the chief executive doing on the board? Doesn't he have a conflict of interest? He's the professional manager. He cannot represent the shareholders and impartially sit in judgment of himself.

¹ Geneen, Harold. *Managing*, Doubleday, January 1, 1984.

As Joseph Mandato and William Devine argued in the *Harvard Business Review*, “letting the CEO chair the board can compromise board discussion quality, weakening the corporation’s risk management ability.”²

“A CEO feedback session whose import is underscored by having the CEO’s organizational equal—i.e., the board chair—conduct it is not possible, of course, when the board chair is the CEO,” the co-authors wrote. “This makes it harder to check a top exec steering the corporation astray.”

The Chair shapes the board’s agenda, meeting dynamics, and the cadence and framing of information the board receives. Even conscientious directors are constrained by what they know and how it is contextualized. If the CEO also serves as Chair, the board’s primary channel for oversight is placed under the same individual whose performance and strategic choices are being assessed. A separate independent Chair reduces this inherent asymmetry.

The California Public Employees’ Retirement System (CalPERS), the nation’s largest pension, states that the “board should be chaired by an independent director” who “should ensure a culture of openness and constructive debate that allows a range of views to be expressed.”³

Both leading proxy advisory firms frame the independent chair issue as a matter of structural oversight rather than personality. Institutional Shareholder Services (ISS) contends that “the chair of the board should ideally be an independent director,” and it generally encourages investors to support “shareholder proposals requiring that the board chair position be filled by an independent director.”⁴ Glass Lewis warned in 2025 that “it can become difficult for a board to fulfill its role of overseer and policy setter when a CEO/chair controls the agenda and the boardroom discussion,” because such control “can allow a CEO to have an entrenched position, leading to longer-than-optimal terms, fewer checks on management, less scrutiny of the business operation, and limitations on independent, shareholder-focused goal-setting by the board.”⁵ Together, these statements support the proposal’s core thesis: an independent chair helps prevent management from supervising itself and preserves a boardroom environment where oversight, accountability, and shareholder-focused governance remain institutionally protected.

We cite the CFA Institute Research and Policy Center⁶ in our Proposal:

Combining [Chairman and CEO] positions may give undue influence to executive board members and impair the ability and willingness of board members to exercise their

² Mandato, Joseph and Devine, William. “Why the CEO Shouldn’t Also Be the Board Chair,” *Harvard Business Review*, March 4, 2020. See <https://hbr.org/2020/03/why-the-ceo-shouldnt-also-be-the-board-chair>

³ “CalPERS’ Governance & Sustainability Principles,” CalPERS, September 2019. See

<https://www.calpers.ca.gov/docs/forms-publications/governance-and-sustainability-principles.pdf>

⁴ “US Voting Guidelines,” ISS Governance. See <https://www.issgovernance.com/file/policy/active/americas/US-Voting-Guidelines.pdf>

⁵ “2025 Benchmark Policy Guidelines,” Glass Lewis. See

<https://resources.glasslewis.com/hubfs/2025%20Guidelines/2025%20US%20Benchmark%20Policy%20Guidelines.pdf>

⁶ “The Corporate Governance of Listed Companies,” CFA Institute, 2018. See <https://rpc.cfainstitute.org/-/media/documents/article/position-paper/corporate-governance-of-listed-companies-3rd-edition.pdf>

independent judgment ... Many jurisdictions consider the separation of the chair and CEO positions a best practice because it ensures that the board agenda is set by an independent voice uninfluenced by the CEO.



The CFA Institute rejects Wells Fargo's policy and states that "good corporate governance not only protects the interests of investors and improves their trust in capital markets, but also acts as a key driver of investment performance."⁷ The CFA Institute insists that "board independence is a key cornerstone of corporate governance" and that "the same person should not perform the roles of Chair and CEO and that the chair should be an

independent director."⁸ Separating these roles is good corporate governance and is becoming best practice within the industry.

The independent chair has also become the international governance standard. The G20/OECD Principles of Corporate Governance⁹ expressly recognize that separating the chief executive and chair roles strengthens board objectivity and independence from management:

In jurisdictions with single-tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chair. Separation of the two posts is regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision-making independent of management.

The OECD Corporate Governance Factbook 2025¹⁰ demonstrates that the Chair and CEO separation has become the norm across major markets and regulatory systems:

One-third of jurisdictions with a one-tier board system require the separation of the functions of board chair and CEO, and an additional 38% encourage it through code recommendations. These figures represent a significant increase from 2014, when 13% of jurisdictions had a requirement and 25% had a recommendation...In total, 76% of jurisdictions either require or encourage the separation of the roles of CEO and board chair, up from 44% in 2014.

⁷ "CFA Institute pushes for more independence and diversity on company boards," CFA Institute, September 14, 2021. See <https://www.cfainstitute.org/en/about/press-releases/2021/independent-directors-in-Asia-Pacific>

⁸ Ibid

⁹ "G20/OECD Principles of Corporate Governance." See https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/09/g20-oecd-principles-of-corporate-governance-2023_60836fcb/ed750b30-en.pdf

¹⁰ "OECD Corporate Governance Factbook 2025," OECD, October 6, 2025. See https://www.oecd.org/en/publications/oecd-corporate-governance-factbook-2025_f4f43735-en/full-report/the-board-of-directors_56efe758.html

The UK Corporate Governance Code states that “the roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company,”¹¹ a much firmer stance than regulators have taken in the US.

The 2025 Spencer Stuart Board Index offers fresh insights that underscore the critical need for independent board leadership at Wells Fargo.¹² The latest trends reveal that separating the roles of CEO and Chair continues to gain momentum among S&P 500 companies. Specifically, 61% of boards now separate the roles of Chair and CEO, compared to 60% in the previous year and 48% in 2015, highlighting an upward trajectory in the recognition of independent oversight's role in mitigating risks and enhancing corporate governance. Additionally, the representation of independent chairs has seen a notable increase, with 42% of S&P 500 boards appointing an independent chair—an uptick from 39% in the previous year and 29% in 2015. This increase in independent chair appointments is a clear indication of the growing recognition of the importance of objective leadership in the boardroom.

Wells Fargo believes that combining the roles of CEO and Board Chair and appointing a Lead Independent Director “helps balance the need for strong leadership to effectively execute on strategic priorities, while supporting continued independent oversight of management.” The Company notes that until recently, the bylaws actually *did* require an independent chair, and those bylaws were changed to pave the way for Mr. Scharf to assume the Chair. We contend that Wells Fargo had it right all along, and this decision was a mistake. Shareholders should separate the Chair and CEO positions to restore accountability to the C-Suite and integrity to the Board of Directors.

The Dangers of Concentrated Power

The unchecked concentration of power within the dual role of Chair and CEO at Wells Fargo presents risks that are antithetical to the fundamental principles of sound corporate governance and the long-term interests of its shareholders. It contradicts the established governance standards that underscore the independence and objective oversight necessary for a board to effectively protect shareholder value and ensure corporate accountability.

The potential for conflict of interest is significant: a CEO who also serves as Chair is less likely to be held accountable for the company's missteps or to receive the critical oversight needed to prevent them. This dynamic has been observed not only in corporate history but is also being increasingly recognized in contemporary governance discourse.

In the aforementioned article by Mandato and Devine, the co-authors cite former Boeing Chair/CEO Dennis Muilenburg’s three-year tenure, during which the company successfully lobbied to ease government oversight of new airplane designs.¹³ A subsequent series of events

¹¹ Financial Reporting Council. “UK Corporate Governance Code,” January 2024. See

<https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/>

¹² “2025 U.S. Spencer Stuart Board Index,” SpencerStuart. See <https://www.spencerstuart.com/research-and-insight/us-board-index>

¹³ Mandato, Joseph and Devine, William. “Why the CEO Shouldn’t Also Be the Board Chair,” *Harvard Business Review*, March 4, 2020. See <https://hbr.org/2020/03/why-the-ceo-shouldnt-also-be-the-board-chair>.

“is suspected to have led to two plane crashes and the tragic loss of 346 lives, the grounding of almost 500 planes worldwide, and company losses that will exceed \$18 billion” (as of March 2020).

“Boeing might have benefitted from a board chair initiating a closed executive session that considered Muilenburg’s fixation on global and interplanetary aspirations,” Mandato and Devine wrote. “Perhaps those aspirations could have been identified as what they turned out to be: signals that the corporation’s priorities had veered dangerously out of alignment.”

Charles Scharf’s Leadership

Mr. Scharf did not create the scandal that made Wells Fargo a watchword for corporate misconduct. He was recruited to clean it up.¹⁴ A fair assessment of his tenure must therefore focus not on the sins of his predecessors, but on the pace and quality of his stewardship. By those measures, the picture is considerably less flattering than the media narrative in recent months might suggest.

The Cleanup That Wasn’t: Regulatory Stumbles on Scharf’s Watch

When Mr. Scharf arrived in October 2019, Wells Fargo was operating under multiple consent orders and a Federal Reserve asset cap that limited the bank’s growth.¹⁵ Shareholders and regulators alike understood that remediation would take time. What they could not have anticipated was the extent to which the cleanup would itself generate new regulatory penalties on his watch.

In September 2021, the Office of the Comptroller of the Currency assessed a \$250 million civil money penalty against Wells Fargo — not for fresh misconduct, but for the bank’s failure to comply with requirements from a 2018 consent order. Mr. Scharf had been CEO for nearly two years when the fine was issued. Acting Comptroller Michael Hsu stated plainly: “Wells Fargo has not met the requirements of the OCC’s 2018 action against the bank. This is unacceptable.”¹⁶

In his own response to the fine, Mr. Scharf acknowledged that building the right infrastructure “will not follow a straight line” and that “progress will come alongside setbacks.”¹⁷ That candid admission—offered while his bank was receiving a nine-figure penalty for falling short of two-

¹⁴ Tully, Shawn. “Wells Fargo was reeling from scandal. Jamie Dimon protégé Charlie Scharf bet his career on saving the 173-year-old bank,” *Fortune*, October 9, 2025. See <https://fortune.com/article/wells-fargo-was-reeling-from-scandal-jamie-dimon-protége-charlie-scharf-bet-his-career-on-saving-the-173-year-old-bank/>

¹⁵ “Federal Reserve announces Wells Fargo is no longer subject to the asset growth restriction from the Board’s 2018 enforcement action against the bank,” Board of Governors of the Federal Reserve System, June 3, 2025. See <https://www.federalreserve.gov/newsevents/pressreleases/enforcement20250603a.htm>

¹⁶ “OCC Assesses \$250 Million Civil Money Penalty, Issues Cease and Desist Order Against Wells Fargo,” Office of the Comptroller of the Currency, September 9, 2021. See <https://www.occ.gov/news-issuances/news-releases/2021/nr-occ-2021-95.html>

¹⁷ Levitt, Hannah. “Wells Fargo Gets Fresh Sanction Under Scharf With OCC’s Fine,” *Bloomberg*, September 9, 2021. See <https://www.bloomberg.com/news/articles/2021-09-09/wells-fargo-to-pay-250-million-to-settle-occ-enforcement-case>

year-old remediation commitments—captures the essential tension between his public confidence and a reality that repeatedly fell short of his promises.¹⁸

The Federal Reserve’s \$1.95 trillion asset cap, imposed in February 2018 as a direct consequence of the fake-accounts scandal, was not lifted until June 2025—more than seven years after its imposition, and more than five and a half years after Mr. Scharf took the helm. During those seven years, JPMorgan Chase grew its total assets by more than \$1.5 trillion. Wells Fargo was effectively frozen in place.¹⁹

Even as the asset cap removal finally approached, progress was not without further complications. In September 2024, the OCC issued a formal enforcement action identifying “deficiencies” in Wells Fargo’s anti-money laundering controls — a new regulatory stumble just months before the bank positioned itself as having turned the compliance corner. Piper Sandler analyst Scott Siefers described the development as “an unfortunate but not shocking step back in what had otherwise been good forward progress.”²⁰

A Self-Serving Governance Decision

On July 31, 2025, barely two months after the Federal Reserve lifted the asset cap, Wells Fargo’s board made a remarkable governance decision: it simultaneously awarded Mr. Scharf a \$30 million one-time equity grant and announced its intention to appoint him Chairman of the Board—a role that became effective in October 2025.²¹ Then, upon release of the proxy statement, the Company revealed that Mr. Scharf’s compensation would skyrocket to \$94.52 million for 2025,²² after announcing less than two months earlier that his compensation would be \$40 million.²³ It represented one of the largest year-over-year increases among major U.S. bank CEOs. That the board chose to eliminate independent oversight at precisely the moment it awarded its CEO an enormous retention bonus is the kind of circular, self-reinforcing governance that shareholders should regard with alarm.

A Persistent Profitability Gap

¹⁸ “Wells Fargo hit with another fine, but also says CFPB order from 2016 sales practices has ended,” CNBC, September 9, 2021. See <https://www.cnbc.com/2021/09/09/wells-fargo-hit-with-another-fine-but-also-says-cfpb-order-from-2016-sales-practices-has-ended.html>

¹⁹ “Wells Fargo escapes Fed’s asset cap after seven years, able to pursue growth,” CNBC, June 4, 2025. See <https://www.cnbc.com/2025/06/03/wells-fargo-escapes-feds-asset-cap-after-seven-years-able-to-pursue-growth.html>

²⁰ Mullen, Caitlin. “OCC hits Wells Fargo with AML enforcement action,” Banking Dive, September 12, 2024. See <https://www.bankingdive.com/news/occ-hits-wells-fargo-with-aml-enforcement-action/726890/>

²¹ “Wells Fargo Board of Directors Announces Intention to Name CEO, Charlie Scharf, Chairman,” Wells Fargo Newsroom, July 31, 2025. See <https://newsroom.wf.com/news-releases/news-details/2025/Wells-Fargo-Board-of-Directors-Announces-Intention-to-Name-CEO-Charlie-Scharf-Chairman/default.aspx>

²² Craver, Richard. “Wells Fargo CEO Scharf receives \$94.5 million in 2025 compensation,” *Winston-Salem Journal*, March 19, 2026. See https://greensboro.com/news/local/business/article_b00e69e6-2c90-53ff-9919-8b3bd4967e07.html

²³ Ennis, Dan. “Wells Fargo to pay CEO Scharf \$40M for 2025,” Banking Dive, January 30, 2026. See <https://www.bankingdive.com/news/wells-fargo-charlie-scharf-ceo-pay-compensation-40-million-fed-asset-cap/811002/>

Mr. Scharf has touted efficiency improvements and rising earnings as evidence of a successful transformation. But a sober financial comparison with peers reveals a more complicated picture. In 2024, JPMorgan Chase reported a return on equity of approximately 18%.²⁴ Wells Fargo’s return on common equity, by contrast, stood at approximately 12% for the same period—a gap that reflects both the structural disadvantage imposed by years of asset cap restrictions and the bank’s slower recovery from them.²⁵

In October 2025, following a strong third quarter, Wells Fargo set a new medium-term return on average tangible common equity (ROTCE) target of 17–18%.²⁶ That the bank is still setting this as an aspirational goal for the future—while JPMorgan has already surpassed it—says more about Wells Fargo’s current standing.²⁷ Morningstar has noted that Wells Fargo “may be structurally less profitable than its peers” as a long-term consequence of its constrained growth years under the asset cap.²⁸

The long-term shareholder return record further illustrates the challenge. Over the past decade, Wells Fargo has generated an annualized total return of approximately 8.89%, compared with Bank of America’s 17.48% over the same period.²⁹ Shareholder concerns should extend beyond regulatory remediation into deeper questions of capital allocation, strategic vision, and competitive positioning. Further, shareholders should demand accountability for how Mr. Scharf’s slow cleanup operation may have hurt long run returns. These are precisely the areas where an independent Board Chair, not beholden to the CEO’s own narrative, might have insisted on a more rigorous self-assessment.

ESG Commitments Made and Abandoned

For conservatives long skeptical of the banking sector’s embrace of ESG ideology, Mr. Scharf’s leadership offers an instructive case study in the dangers of concentrating consequential corporate commitments in an unchecked executive. During his tenure, Wells Fargo joined the United Nations-backed Net-Zero Banking Alliance (NZBA) in 2021, committing to align its financed emissions with net-zero targets by 2050. By late December 2024, Wells Fargo quietly exited the NZBA, becoming the second major U.S. bank to do so. By March 2025, the bank went further, formally scrapping its net-zero financed emissions goal altogether — reversing, in less

²⁴ “Return on equity of JPMorgan Chase 2007 to 2024,” Statista. See

<https://www.statista.com/statistics/1046197/return-on-equity-jpmorgan/>

²⁵ “Wells Fargo Reports Fourth Quarter 2024 Net Income,” Wells Fargo, January 15, 2025. See

<https://www.wellsfargo.com/assets/pdf/about/investor-relations/earnings/fourth-quarter-2024-earnings.pdf>

²⁶ “Wells Fargo Reports Third Quarter 2025 Net Income,” Wells Fargo, October 14, 2025. See

<https://www.wellsfargo.com/assets/pdf/about/investor-relations/earnings/third-quarter-2025-earnings.pdf>

²⁷ “Wells Fargo (WFC) Q3 2025 Earnings Call Transcript,” The Motley Fool, October 14, 2025. See

<https://www.fool.com/earnings/call-transcripts/2025/10/14/wells-fargo-wfc-q3-2025-earnings-call-transcript/>

²⁸ “Wells Fargo & Co.” Morningstar, February 24, 2026. See <https://www.morningstar.com/stocks/xnys/wfc/quote>

²⁹ “BAC vs. WFC — Stock Comparison Tool,” PortfoliosLab. See <https://portfolioslab.com/tools/stock-comparison/BAC/WFC>

than four years, a commitment made with considerable public fanfare under Mr. Scharf’s watch.³⁰ NLPC applauds this reversal, but the whiplash character of the about-face reflects poorly on the bank’s institutional credibility and underscores the governance risks that flow from a leadership structure with no independent check.

Under Mr. Scharf’s leadership, Wells Fargo has prioritized social engineering over meritocratic hiring and neutral service provision. In 2022, *The New York Times* exposed a widespread practice of “sham interviews,” where managers were reportedly pressured to interview diverse candidates for positions that had already been filled or promised to others.³¹ This performative adherence to DEI (Diversity, Equity, and Inclusion) targets led to a criminal investigation by federal prosecutors and eventually resulted in an \$85 million class-action settlement in late 2025.³²



NLPC filed a shareholder proposal in 2025 addressing Wells Fargo’s concerning relationships with “humanitarian” organizations that have been accused of facilitating illegal immigration into the United States. The proposal was ultimately excluded from the proxy statement,³³ but shareholders should continue to be concerned about the ramifications of potentially unethical or illegal actions.

Furthermore, the bank has been implicated in the controversial practice of “de-banking.” A December 2025 report by the Office of the Comptroller of the Currency (OCC) identified Wells Fargo as one of several major institutions that restricted services to lawful businesses based on political considerations rather than financial solvency.³⁴ By restricting services to lawful businesses on political rather than financial grounds, management has strayed from its fiduciary duty to maximize shareholder value regardless of political headwinds.

Refuting Wells Fargo’s Statement of Opposition

³⁰ Mirza, Zoya. “Wells Fargo scraps net-zero target as banks recalibrate sustainability strategy,” ESG Dive, March 3, 2025. See <https://www.esgdive.com/news/wells-fargo-scraps-net-zero-target-as-banks-rethink-sustainability/741402/>

³¹ Flitter, Emily. “At Wells Fargo, a Quest to Increase Diversity Leads to Fake Job Interviews,” *The New York Times*, May 20, 2022. See <https://www.nytimes.com/2022/05/19/business/wells-fargo-fake-interviews.html>

³² Tormone, Kate. “Wells Fargo will pay \$85M to settle claim alleging ‘sham’ diversity hiring practices,” HR Dive, October 22, 2025. See <https://www.hrdiver.com/news/diverse-hiring-slate-sham-wells-fargo/803514/>

³³ “Wells Fargo & Company, Incoming letter dated December 26, 2024,” Securities and Exchange Commission, March 5, 2025. See <https://www.sec.gov/files/corpfin/no-action/14a-8/nlpcwells3525-14a8.pdf>

³⁴ “OCC Releases Preliminary Findings from Its Review of Large Banks’ Debanking Activities,” Office of the Comptroller of the Currency, December 10, 2025. See <https://www.occ.gov/news-issuances/news-releases/2025/nr-occ-2025-123.html>

Wells Fargo claims the CEO and Board Chair roles should continue to be consolidated based on the following rationale:³⁵

- The need for “flexibility” in Board structure
- Existing “strong” and “independent” Board oversight via a Lead Independent Director
- Adherence to industry standards

The latter point has already been addressed in substantial depth earlier in this report. In regards to the first two points:

The Need for ‘Flexibility’ in Board Structure

In its statement of opposition, the Company’s board of directors contends the proposal “would remove this judgment from the Board’s discretion,” arguing it is “not in the best interest of Wells Fargo or our shareholders,” and insisting it must retain “flexibility to determine the leadership structure that would most appropriately serve the Company and our shareholders at any given time.”³⁶ In doing so, the Company characterizes our proposal as being inflexible.

To that we plead: “Guilty as charged.” Successful organizations balance the separation of powers with flexibility and decisiveness.

The United States government represents a worthwhile analogy. The President exercises executive authority with great discretion, but legislative power is reserved for Congress, and judicial power for the Supreme Court and lower courts. However, each branch wields authority over its own affairs. Each branch utilizes as much power as possible within its clearly defined roles. Further, the adversarial nature of the US government prevents one branch from infringing on the others.

Is flexibility really the highest priority of successful governance design? Should elected (or even appointed) leaders have elastic rules to play by – like Wells Fargo’s – so the preferences of a few powerful elites can be accommodated, dependent on shifting priorities like personal relationships, politics, peer acceptance, social media favorability, and other irrelevant subjective factors beyond fiduciary duties? The Company enjoys its flexibility at the expense of transparency and accountability. The roles should be mandatorily separated into two, clearly defined positions.

Existing ‘Strong’ and ‘Independent’ Board Oversight

Wells Fargo argues that separation is not necessary because its Lead Independent Director, Steven Black, provides sufficient “strong management oversight and accountability”³⁷ of

³⁵ Supra, Note 1.

³⁶ Supra, Note 1.

³⁷ Ibid.

management. However, in reality, a Lead Independent Director often functions more like an executive assistant than a true counter to a Chair/CEO. Wells Fargo’s Lead Independent Director’s duties, as set forth in the Company’s Corporate Governance Guidelines, include partnering with the Board Chair to approve “Board agendas and schedules and the types and forms of information provided to the Board,” presiding at executive sessions without management present, and participating in “the performance evaluation of the Chief Executive Officer.”³⁸ These responsibilities sound robust in the abstract — but they are structurally subordinate to a Chairman who also happens to be the CEO being evaluated. This position does not provide the structural independence required to check a top executive who may be steering the corporation astray.

Conclusion

National Legal and Policy Center urges shareholders to vote *for* Item 5, which requires Wells Fargo to adopt a policy for an independent Board Chair. Years of stagnation and regulatory hurdles have demonstrated that the current structure, where Mr. Scharf effectively oversees his own performance, lacks the necessary checks and balances to maximize shareholder value. While management often claims a dual role provides “flexibility” it has instead fostered a culture of complacency and performative social agendas that detract from the bank’s core fiduciary mission. Adopting this proposal is a critical step toward restoring institutional accountability and ensuring that the Board serves as a true advocate for owners rather than a rubber stamp for management.

Thus, NLPC urges you to **VOTE FOR** Item 5 on the 2026 proxy ballot of Wells Fargo & Company.

PHOTO CREDITS:

Page 3: Charles Scharf/Screen grab, CNBC via YouTube

Page 5: Wells Fargo branch sign/JeepersMedia, Creative Commons

THE FOREGOING INFORMATION MAY BE DISSEMINATED TO SHAREHOLDERS VIA TELEPHONE, U.S. MAIL, E-MAIL, CERTAIN WEBSITES AND CERTAIN SOCIAL MEDIA VENUES, AND SHOULD NOT BE CONSTRUED AS INVESTMENT ADVICE OR AS A SOLICITATION OF AUTHORITY TO VOTE YOUR PROXY.

THE COST OF DISSEMINATING THE FOREGOING INFORMATION TO SHAREHOLDERS IS BEING BORNE ENTIRELY BY THE FILERS.

THE INFORMATION CONTAINED HEREIN HAS BEEN PREPARED FROM SOURCES BELIEVED RELIABLE BUT IS NOT GUARANTEED BY US AS TO ITS TIMELINESS OR ACCURACY, AND IS NOT A COMPLETE SUMMARY OR STATEMENT OF ALL AVAILABLE DATA. STATEMENTS REFLECTING CHARACTERIZATIONS, EVALUATIONS, OR ASSESSMENTS OF INDIVIDUALS OR CORPORATE CONDUCT

³⁸ “Wells Fargo & Company Corporate Governance Guidelines,” Wells Fargo & Company. See <https://www.wellsfargo.com/assets/pdf/about/corporate/governance-guidelines.pdf>

REPRESENT THE OPINION OF THE NATIONAL LEGAL AND POLICY CENTER BASED ON THE PUBLICLY DOCUMENTED RECORD CITED HEREIN. THIS PIECE IS FOR INFORMATIONAL PURPOSES AND SHOULD NOT BE CONSTRUED AS A RESEARCH REPORT.

PROXY CARDS WILL NOT BE ACCEPTED BY US. PLEASE DO NOT SEND YOUR PROXY TO US. TO VOTE YOUR PROXY, PLEASE FOLLOW THE INSTRUCTIONS ON YOUR PROXY CARD.

For questions regarding Wells Fargo & Company (**Item 5 on Page 104 of the 2026 Proxy Statement**), submitted by National Legal and Policy Center – please contact Paul Chesser, director of NLPC’s Corporate Integrity Project, via email at pchesser@nlpc.org.