

WELLS FARGO & COMPANY

BEST PRACTICES

PartnerShares

The following documents, consisting of (1) the Wells Fargo & Company Best Practices PartnerShares Plan, as amended and restated November 3, 1998 (the "Plan"), (2) the Award Term Sheet describing the terms and conditions specific to your Award under the 1998 PartnerShares grant, and (3) a statement of certain additional information concerning Plan participation (the "Plan Information Statement"), together with this cover page, constitute the Prospectus of Wells Fargo & Company (the "Corporation") covering shares of the Corporation's common stock, par value \$1 ²/₃ per share (the "Shares"), issuable to you with respect to your Award. Capitalized terms used and not otherwise defined in this Prospectus have the meanings given to them in the Plan.

You may obtain additional information concerning your Award, as well as information about the Plan and its administrator, without charge, upon request to the PartnerShares Plan Administrator, Wells Fargo & Company, Sixth and Marquette, Minneapolis, Minnesota 55479-1037, telephone (800) 996-9466.

Please read this Prospectus carefully before purchasing any Shares under your Award and retain it for your future reference.

You should be aware that:

- **Neither the Securities and Exchange Commission nor any state securities commission has approved the Shares offered by this Prospectus or determined whether this Prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**
- **The Shares offered by this Prospectus are not savings accounts, deposits or other obligations of any bank or nonbank subsidiary of the Corporation and are not insured by the Federal Deposit Insurance Corporation or any other government agency.**
- **The Corporation, its banking subsidiaries and many of its nonbanking subsidiaries are subject to extensive regulation by a number of federal and state agencies. This regulation may affect, among other things, the Corporation's earnings and/or restrict its ability to pay dividends on the Shares.**

This Prospectus covers securities that have been registered under the Securities Act of 1933.



**1. WELLS FARGO & COMPANY BEST PRACTICES
PARTNERSHARES PLAN
(as amended and restated effective November 3, 1998)**

**ARTICLE I
PURPOSE OF THE PLAN**

The Wells Fargo & Company Best Practices PartnerShares Plan is intended to enhance the profitability and value of the Corporation by providing performance-based incentives and additional equity ownership opportunities to Eligible Employees of the Corporation and its Affiliates.

**ARTICLE II
DEFINITIONS OF TERMS AND RULES OF CONSTRUCTION**

- 2.1 *General Definitions.* As used herein, the following capitalized terms have the following respective meanings.
- (a) "*Affiliate*" means any corporation or limited liability company, a majority of the voting stock or membership interest of which is directly or indirectly owned by the Corporation, and any partnership or joint venture designated by the President, any Vice Chairman or any Executive Vice President of the Corporation in which any such corporation or limited liability company is a partner or joint venturer.
 - (b) "*Award*" means any Option and any Stock Right granted to an Eligible Employee pursuant to Section 6.1 of the Plan, including all rights and interests that arise out of or are otherwise related to such Option or Stock Right.
 - (c) "*Award Term Sheet*" means the document provided to or otherwise made available to a Participant which describes the Award granted to the Participant and sets forth the terms, conditions and restrictions specific to the Award.
 - (d) "*Board*" means the Corporation's board of directors.
 - (e) "*Committee*" means the Human Resource Committee of the Board, as such committee is comprised from time to time, or any other committee designated by the Board to administer the Plan.
 - (f) "*Common Stock*" means the Corporation's common stock, par value \$1 ²/₃ per share.
 - (g) "*Corporation*" means Wells Fargo & Company, formerly named Norwest Corporation, and its successors.
 - (h) "*Disability*" means a disability which would entitle a Participant to receive a disability benefit under any long-term disability plan maintained by the Corporation or an Affiliate, as from time to time in effect, whether or not the Participant is then participating in such plan.
 - (i) "*Eligible Employee*" means any employee of the Corporation or an Affiliate other than (i) an employee who is subject to Section 16 of the Securities Exchange Act of 1934, as amended from time to time, (ii) a temporary or casual employee, (iii) a leased employee, and (iv) any person classified by the Corporation or an Affiliate as

an independent contractor as of the date of an Award regardless of whether the person is subsequently determined by any court or governmental agency to then have been an employee. Notwithstanding the foregoing, with respect to Awards granted on or after November 3, 1998, the Committee may specifically include as an "Eligible Employee" any employee who would otherwise be excluded under (ii) above.

- (j) *"Fair Market Value"* means the closing price of a share of Common Stock as reported on the New York Stock Exchange composite tape for a given date or, in the absence of sales on a given date, such closing price for the immediately preceding day on which a sale occurred.
- (k) *"Option"* means an option granted under the Plan to purchase shares of Common Stock and having such terms, conditions and restrictions as the Committee determines.
- (l) *"Participant"* means an Eligible Employee who is granted an Award under the Plan.
- (m) *"Plan"* means this Wells Fargo & Company Best Practices PartnerShares Plan, as amended from time to time.
- (n) *"Retirement"* means termination of employment after reaching the earlier of (i) age 55 with 10 completed years of service, or (ii) 80 points (with one point credited for each completed age year and one point credited for each completed year of service), or (iii) age 65. For purposes of this definition, a Participant is credited with one year of service after completion of each full 12-month period of employment with the Corporation or an Affiliate as determined by the Corporation or Affiliate.
- (o) *"Share"* means a share of Common Stock.
- (p) *"Stock Right"* means an award under the Plan of Common Stock or cash measured by the value of Common Stock and in each case subject to such terms, conditions and restrictions as the Committee determines.

2.2 *Other Definitions.* Other capitalized terms used herein and not defined above are defined where they first appear.

2.3 *Conflicting Provisions.* In the event of any conflict or other inconsistency between the terms of the Plan and the terms of any Award Term Sheet, the terms of the Plan will control.

ARTICLE III SHARES AVAILABLE FOR ISSUANCE UNDER THE PLAN

3.1 *Number of Shares.* An aggregate of 62,000,000 Shares (consisting of 14,000,000 Shares authorized on July 23, 1996, 24,000,000 Shares authorized on September 23, 1997, and 24,000,000 Shares authorized on November 3, 1998) are available for Awards and as a basis for calculating Awards under the Plan. Shares issued with respect to Awards may be treasury or new issue Common Stock or a combination of treasury or new issue Common Stock, as the Corporation determines.

3.2 *Reusage of Shares.* Shares identified with Awards that for any reason terminate or expire unexercised will thereafter be available for other Awards under the Plan. Shares that are used to pay any portion of the purchase price of an Award or any portion of a Participant's income tax withholding resulting from an Award, and Shares used as a basis for calculating cash amounts that are used to pay any portion of the purchase price of an Award or any portion of a Participant's income tax withholding resulting from an Award, will also thereafter be available for Awards or as a basis for calculating Awards under the Plan.

3.3 *Adjustments.* Any change in the number of outstanding shares of Common Stock occurring by reason of a stock split, stock dividend, spin-off, split-up, recapitalization or other similar event will be reflected proportionally in (a) the aggregate number of Shares available for Awards under the Plan as set forth in Section 3.1, (b) the number of Shares identified with Awards then outstanding, and (c) the purchase price and such other terms, as appropriate, of Awards then outstanding. The number of Shares, if any, identified with an Award, after giving effect to any such adjustment, will be rounded down to the nearest whole Share, and the purchase price of each Award, after giving effect to any such adjustment, will be rounded down to the nearest whole cent.

ARTICLE IV PARTICIPATION IN THE PLAN

The Committee will have discretionary authority to select Participants from among Eligible Employees and determine the Award or Awards each Participant will receive. In making such selections and determinations, the Committee will consider such factors as it deems relevant to effect the purpose of the Plan. No Eligible Employee will be entitled to receive any additional Awards or otherwise further participate in the Plan solely because the Eligible Employee was previously granted an Award.

ARTICLE V ADMINISTRATION OF THE PLAN

Subject to the terms of the Plan, the Committee will have discretionary authority to determine the category or categories of Eligible Employees to whom Awards will be granted, the type and amount of each Award to be granted to each Eligible Employee in such category or categories, the date of issuance and duration of each Award, the purchase price of each Award, and such other Award terms, conditions and restrictions as the Committee deems advisable. Notwithstanding anything in the Plan to the contrary, the Committee may delegate any or all of its authority under the Plan to such officers of the Corporation as the Committee may designate from time to time. All decisions of the Committee and any such officers made pursuant to the authority granted herein or delegated by the Committee will be final and binding on all parties.

ARTICLE VI AWARDS

6.1 *Types.* The Committee may grant Options and Stock Rights under the Plan having such terms, conditions and restrictions as the Committee determines.

6.2. *Price.* The Committee will determine the purchase price of each Share subject to an Option, *provided* that such purchase price will not be less than the Fair Market Value on the date the Option is granted and in any event will not be less than the par value of the Share subject to the Option.

6.3 *Exercise Term.* The Committee will determine the term of each Award, *provided* that (a) no Award will be exercisable after ten years from the date of grant and (b) no Award will be exercisable unless a registration statement for the Shares, if any, underlying the Award is then in effect under the Securities Act of 1933, as amended, or unless in the opinion of legal counsel registration under such act is not required.

6.4 *Payment of Purchase Price.* Upon exercise of an Option or Stock Right that requires a payment from the Participant to the Corporation, the amount due the Corporation may be paid by cash or such other method as the Committee determines.

6.5 *Award Term Sheet.* Each Award will be evidenced by an Award Term Sheet in such form and not inconsistent with the Plan as the Committee may approve from time to time. The Committee may include in each Award Term Sheet such terms and conditions it deems necessary or advisable, including the following: the terms, conditions and restrictions of the Award; if an Option, the purchase price and acceptable methods of payment of the purchase price; the Award's duration; the effect on the Award of the Participant's death, Disability, Retirement or other termination of employment; and the restrictions against transfer, if any, on the Award or the Shares subject to the Award.

6.6 *Withholding Taxes.* The Corporation and its Affiliates have the right to withhold, at the time any distribution is made under the Plan, whether in cash or in Shares, or at the time any Award is exercised, all amounts necessary to satisfy federal, state and local withholding requirements related to such distribution or exercise. Any required withholding may be satisfied by cash or the Corporation's withholding of Shares having a Fair Market Value equal to the amount required to be withheld, as provided in the Award Term Sheet.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.1 *Termination of Employment.*

7.1.1 *Due to Death, Disability or Retirement.* If a Participant ceases to be an Eligible Employee by reason of the Participant's Disability or Retirement, the Participant's Awards will be exercisable for such period or periods as the Committee determines. If a Participant ceases to be an Eligible Employee by reason of the Participant's death, the person or persons surviving at the time of the Participant's death in the first of the following classes of beneficiaries in which there is a survivor, shall be entitled to exercise the Participant's Awards for such period or periods as the Committee determines. If a person in the class surviving dies before exercising the Participant's Awards, that person's right to receive and exercise the Awards will lapse and the exercise entitlement will be determined as if that person predeceased the Participant.

- (a) Participant's surviving spouse;

- (b) Equally to the Participant's children, except that if any of the Participant's children predecease the Participant but leave descendants surviving, such descendants shall take by right of representation the share their parent would have taken if living;
- (c) Participant's surviving parents equally;
- (d) Participant's surviving brothers and sisters equally; or
- (e) Representative of the Participant's estate.

7.1.2 *Other than Due to Death, Disability or Retirement.* Except as otherwise determined by the Committee, if a Participant ceases to be an Eligible Employee for any reason other than death, Disability or Retirement, all of the Participant's Awards will terminate immediately without notice of any kind.

7.1.3 *Intercompany Transfers.* Transfers of a Participant's employment between the Corporation and an Affiliate or between Affiliates will not by itself constitute termination of the Participant's Eligible Employee status for purposes of any Award.

7.2 *Nontransferability.* Except as otherwise determined by the Committee, (a) an Award may be exercised during a Participant's lifetime only by the Participant or the Participant's legal guardian or legal representative, (b) an Award may be exercised after the Participant's death only as provided in Section 7.1.1 of the Plan, and (c) no Award may be assigned or otherwise transferred by the Participant to whom it was granted.

7.3 *Change in Control.* On the date that (a) substantially all of the assets of the Corporation are acquired by another corporation, (b) there is a reorganization of the Corporation involving an acquisition of the Corporation by another entity, or (c) a majority of the Board shall be persons other than persons (i) for whose election proxies shall have been solicited by the Board or (ii) who are then serving as directors appointed by the Board to fill vacancies on the Board caused by death or resignation (but not by removal) or to fill newly-created directorships, then (1) all Options and other Awards that require exercise by Participants and/or payment by Participants to the Corporation will become immediately exercisable in full and (2) with respect to all other Awards, all conditions or restrictions to the receipt thereof will immediately terminate.

7.4 *No Employment Contract.* Neither the adoption of the Plan nor the grant of any Award will (a) confer upon any Eligible Employee any right to continued employment with the Corporation or any Affiliate or (b) interfere in any way with the right of the Corporation or any Affiliate to terminate at any time the employment of any Eligible Employee.

7.5 *Amendment of Plan.* The Board or Committee may at any time terminate, suspend or amend the Plan.

7.6 *Duration of the Plan.* The Plan will become effective upon its approval by the Board and, unless earlier terminated, will remain in effect until all Shares available for issuance under the Plan have been issued.

7.7 *Reservation of Board Authority.* Any action under the Plan required or permitted to be taken by the Committee may be taken by the Board.

2. 1998 PARTNERSHARES GRANT AWARD TERM SHEET

1. *Option Grant.* As a 1998 Participant (as defined in paragraph 5 below), you have been granted an option (the "Option") to purchase 200 shares of the Corporation's Common Stock (the "Shares"). Your ownership and exercise of the Option are subject to the terms, conditions and restrictions set forth in this Award Term Sheet and the Wells Fargo & Company Best Practices PartnerShares Plan, as amended from time to time (the "Plan"). Capitalized terms used and not otherwise defined in this Award Term Sheet have the meanings given to them in the Plan.
2. *Option Terms and Conditions.*
 - a. *Purchase Price.* The purchase price of the Option is US \$37.8125 per Share.
 - b. *Term.* Unless exercisability is accelerated as provided in paragraph 3 below, the Option will become exercisable upon the earlier of November 4, 2003 or the first date on which the Fair Market Value of the Corporation's Common Stock equals or exceeds \$70 per share. Unless earlier terminated as provided in paragraph 3 below, the Option will expire on November 3, 2008.
 - c. *Exercise.* The Option must be exercised for all of the Shares subject to the Option. No partial exercise is permitted. You will be notified of the steps required to exercise the Option prior to the Option becoming exercisable.
 - d. *Payment of Purchase Price and Withholding Taxes.* Upon exercise of the Option, you will be required to pay in cash, on the date of exercise and as a condition to receiving the Shares, the purchase price for the Shares. You will also be required to pay in cash an amount sufficient to satisfy federal, state and local income tax withholding requirements triggered by your exercise of the Option.
3. *Termination of Employment.*
 - a. *Retirement or Disability.* In the event of your Retirement or Disability, the Option will become exercisable immediately and will continue to be exercisable until its stated expiration date.
 - b. *Death.* In the event of your death, the Option will become exercisable immediately by the surviving person or persons as provided in Section 7.1.1 of the Plan, and will continue to be exercisable until the earlier of one year after death or until its stated expiration date.
 - c. *Other.* If your employment with the Corporation or an Affiliate terminates for any reason other than your Retirement, Disability or death, all of your rights to and under the Option will terminate immediately without notice to you.
4. *Nontransferability of Option.* Only you or your legal guardian or legal representative may exercise the Option during your lifetime. Only the surviving person or persons as provided in Section 7.1.1 of the Plan may exercise the Option after your death. The Option may not be sold, assigned or otherwise transferred.
5. *1998 Participants.* Options have been granted to Eligible Employees as of November 3, 1998, excluding, however, (a) Eligible Employees who received since July 1, 1997, or who

will receive prior to December 31, 1998 pursuant to an employment offer letter, an option grant under the Norwest Corporation Long-Term Incentive Compensation Plan; (b) Eligible Employees who received since July 1, 1997, or who will receive prior to December 31, 1998 pursuant to an employment offer letter, option grants under the Long-Term Incentive Plan of the former Wells Fargo & Company having a collective Black-Scholes value of \$10,000 or more, each grant valued as of the applicable option grant date; (c) Eligible Employees who are permanently and totally disabled and who are not receiving short-term disability benefits or sick pay; (d) Eligible Employees on extended leave of absence without pay; (e) Eligible Employees on severance or salary continuation leave of absence; (f) Eligible Employees who are classified as temporary, casual or hourly and who did not actively work for the Corporation or an Affiliate, or for the former Wells Fargo & Company or any of its subsidiaries, from June 8, 1998 to and including November 3, 1998; and (g) Eligible Employees who are subject to income taxation in Aruba or the Netherlands Antilles.

6. *No Change in Employment Status.* Neither the grant of the Option to you nor the delivery to you of this Award Term Sheet or any other document relating to the Option will confer on you any right to continued employment with the Corporation or an Affiliate.
7. *Other Restrictions.* The Corporation, by action of the Chairman, the President, any Vice Chairman or any Executive Vice President, may delay your exercise of the Option (a) to ensure that at the time of exercise there is a registration statement for the Shares in effect under the Securities Act of 1933, as amended, (b) to comply with all other applicable laws, regulations and guidelines, or (c) to the extent the Committee deems it in the best interests of the Corporation.
8. *Conflicts between Award Term Sheet and Plan.* In the event of a conflict between the terms of this Award Term Sheet and the terms of the Plan, the terms of the Plan will control.
9. *No Obligation to Exercise Option.* Your receipt of the Option in no way obligates you to exercise the Option and purchase any of the Shares.

3. PLAN INFORMATION STATEMENT

THE COMMITTEE

The Human Resources Committee is comprised of at least three members of the Board. Committee members are named annually by the Board and may be removed at any time by the Board.

SUMMARY OF CERTAIN INCOME TAX EFFECTS

To Participants. The following discussion is a summary of certain income tax effects of participation in the Plan, based on laws, regulations, rulings and interpretations in effect as of the date of this Prospectus. The discussion assumes that, for all purposes relating to the Option, including your receipt and exercise of the Option and your sale of the Shares issued to you upon exercise of the Option, you will be subject to the tax laws of only the United States. If this assumption is not true, the tax effects of your participation in the Plan may be materially different from those described below. Even if this assumption is true, the tax effects of your participation may be materially different because of circumstances unique to your tax situation or because of a change to one or more of the laws, regulations, rulings or interpretations on which this discussion is based. **For these reasons, you should consult your own tax advisor regarding the tax effects of your participation in the Plan, including a determination as to whether your participation may be subject to taxation by more than one jurisdiction.**

Grant of Option. The grant of the Option will not by itself result in taxable income to you.

Exercise of Option. Upon exercise of the Option, you will be deemed to have received income equal to the excess (the "spread") of (a) the fair market value of the Shares received upon exercise of the Option over (b) the purchase price of the Shares received upon exercise of the Option. The entire amount of the spread will be subject to taxation.

Sale of Shares. Upon the sale of some or all of your Shares, you will generally incur a capital gain or loss equal to the difference between the sale proceeds and the adjusted cost basis of the Shares sold.

To the Corporation. To the extent it constitutes reasonable compensation, the excess of the fair market value of the Shares issued upon exercise of the Option over the purchase price of such Shares is deducted by the Corporation from its taxable income as an expense.

ERISA

The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended.

ADDITIONAL INFORMATION

This Prospectus incorporates by reference certain documents that are not presented herein or herewith, including the Corporation's annual report for the year ended December 31, 1997, its quarterly reports for the quarters ended March 31, 1998 and June 30, 1998 and its current reports filed January 22, 1998, April 20, 1998, April 22, 1998, June 8, 1998, June 9,

1998, June 12, 1998, June 18, 1998, July 22, 1998, August 5, 1998, October 21, 1998 and October 22, 1998. This Prospectus also incorporates by reference all future reports filed by the Corporation pursuant to the Securities Exchange Act of 1934, as amended. You may obtain copies of any of these documents (excluding certain exhibits), as well as other documents required to be delivered to you in connection with your participation in the Plan, without charge, upon request to the Corporate Secretary, Wells Fargo & Company, Sixth and Marquette, Minneapolis, Minnesota 55479-1026, telephone (612) 667-8655.
