WELLS FARGO

General information about restricted share rights

The Human Resources Committee, "HRC", of the Wells Fargo & Company Board of Directors may approve annual long-term incentive, ("LTI"), awards in the form of restricted share rights, "RSRs", granted under the Wells Fargo & Company Long-Term Incentive Compensation Plan ("LTICP") as it determines appropriate, subject to certain exceptions for international employees.

The form of long-term incentives will continue to be reviewed each year, with the goal of providing incentives that offer value to employees and the Company. This document is intended to provide general information to improve your understanding of RSRs awards.

What are restricted share rights (RSRs)?

An RSR is a right to receive a share of Wells Fargo common stock at a future date, provided certain vesting requirements and other conditions are satisfied. Upon vesting of RSRs, employees receive shares of Wells Fargo common stock to hold or sell at their discretion.

What's the difference between RSRs and RSUs?

RSRs are sometimes called restricted stock units ("RSUs"). These two terms are interchangeable and have the same meaning.

How does a participant benefit from RSRs?

Each RSR represents the right to receive one share of Wells Fargo common stock. Participants will automatically receive the shares, provided they are employed on the vesting date and satisfy any other conditions to vesting.

The potential value of an RSR is based on the value of the underlying Wells Fargo common stock. Participants do not make cash investment to receive the stock, although they will owe taxes on the value of the shares they receive at vesting. (Tax treatment in certain international jurisdictions may vary.) Additionally, participants may have the right to receive dividend equivalents in the form of additional RSRs during the vesting period, to the extent provided in the award terms.

Once the RSRs vest, participants will receive shares of Wells Fargo common stock, subject to any regulatory or other approvals that may be required for Wells Fargo to issue the shares. Once participants receive their shares, they will have all the rights of a shareholder of Wells Fargo. As a shareholder, a participant will be entitled to vote the shares and receive dividends should Wells Fargo's Board of Directors declare them. A participant may be required to hold the shares for a period of time, as specified in the Award Agreement.

How will the amount of an award be determined?

The value of RSRs are based off of the employee's Total Variable Compensation (TVC) award, and a companywide cash/stock grid that determines the amount of TVC awarded in stock (RSRs). All RSRs awards are subject to the HRC's approval.

The number of shares that a participant receives is determined by dividing the approved award dollar amount by the NYSE-only closing price on the grant date, rounded up to the nearest whole number of shares.

For example: Assuming a NYSE closing stock price of US$50.00, a US$45,000 RSRs award would result in 900 shares (US$45,000/ US$50.00 = 900).

What is the vesting schedule?

For RSRs, vesting means that a participant has earned the right to receive the shares represented by the RSRs granted. To vest in the RSRs, the participant must fulfill the requirements for continued employment and satisfy the other award terms and conditions.

RSR awards are subject to the HRC's approval, which includes, but is not limited to, a review of the performance conditions set forth in the Clawback and Forfeiture Policy. The precise remedial actions taken by the HRC are based upon relevant circumstances, which may be informed by management's review of the participant's role and responsibilities, including the nature of the participant's involvement, the magnitude of the event, and/or its impact on the Company.

Wells Fargo's vesting criteria support our intent to use these awards as a means of recognizing long-term performance. The vesting schedule for RSRs awards can vary and can be accessed by reviewing the applicable award agreement which is available on Computershare.

What happens when the award vests?

When the RSRs vest, the portion of the RSRs and dividend equivalents that vest are valued at the NYSE closing stock price for a share of Wells Fargo common stock on that day. A number of shares, net of shares withheld for the payment of applicable taxes, are delivered to a Retained Shares account in the participant's name at Computershare. The participant may then choose to hold, transfer the shares to a brokerage account, or sell the shares through Computershare.

Who keeps track of RSRs awards?

Computershare is our recordkeeping system for all RSRs awards and it can be accessed through the About LTICP HR Services & Support site.

Once signed on to their Computershare account, participants can review and acknowledge the terms and conditions of an award, see the status and vesting schedule, and model potential future values of an award.

How are RSRs taxed and reported to the participant and when is the tax due?

This is general information, intended for participants paid on a U.S.-based payroll system based on the value of the award on the vesting date. The Company will withhold from the number of shares issuable upon vesting a number of shares necessary to satisfy applicable tax withholding obligations and requirements. The net shares, after withholding, are then delivered to the employee. The value on the date that the RSRs vest sets the cost basis for any future sale of the shares.

For example: Assume the HRC has approved a RSRs award with a four-year vesting schedule. In our example, a participant has an award of 900 RSRs, and 25% of the award vests each February 5, starting one year from the grant date. The participant owes taxes on the ordinary income assessed on the vest date. If the closing stock price on the vesting date is US$50.00, then the taxable value of the vested portion would be US$11,250 (225 shares x US$50.00). Assuming a tax rate of 40%, US$4,500 would be withheld for taxes and 135 shares would be delivered to the participant (US$11,250 - US$4,500 = US$6,750, US$6,750/ US$50.00 = 135). The participant now owns 135 shares of Wells Fargo common stock. The value of the vested award will be shown on the participant's W-2 statement at the end of the year.*

The value of any fractional share amount created as a result of withholding will be added to the federal tax withholding amount. The Company will not issue fractional shares.

What happens to the dividends?

If determined by the HRC and reflected in applicable award terms, participants may receive dividend equivalents in the form of additional RSRs to reflect dividends paid on Wells Fargo common stock. Any additional RSRs will be distributed according to the original vesting schedule for the underlying RSRs, subject to the same conditions. In general, for participants paid on a U.S.-based payroll system, there is no tax consequence as a result of crediting dividend equivalents until they vest.

Where can participants find out more about the Long-Term Incentive Compensation Plan?

The general provisions governing long-term incentive awards can be found in the LTICP document and the LTICP Prospectus on the About LTICP HR Services & Support site under “More Information” (search “About LTICP” on any HR Services & Support site). This plan outlines provisions, including the definition of retirement. The actual terms and conditions of any specific award are approved by the HRC and are reflected in an Award Agreement issued to the participant. The Award Agreement can be accessed through the Computershare website www-us.computershare.com/employee/login/.

*The summary generally describes certain U.S. federal income tax consequences of RSRs awards. This summary is general in nature and is not intended to cover all tax consequences that may apply to participants. The tax consequences related to RSRs awards can be complex and will vary by individual and in accordance with the laws of the applicable jurisdiction where a participant is employed. Participants are strongly urged to consult their personal tax advisor with respect to any award they might receive.