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**PROSPECTUS**

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WELLS FARGO & COMPANY

Shares of Common Stock

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**LONG-TERM INCENTIVE COMPENSATION PLAN**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities offered by this Prospectus or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933.**

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The date of this Prospectus is January 1, 2017

## ADDITIONAL INFORMATION

This Prospectus incorporates important business and financial information about Wells Fargo & Company (“Wells Fargo” or the “Company”) that is not included or delivered with this Prospectus. See “More Information About Wells Fargo” at the end of this document for a list of the documents that Wells Fargo has incorporated by reference into this Prospectus.

**No person has been authorized to give any information or to make any representations other than those contained or incorporated by reference in this Prospectus, and if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer to sell or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to anyone to whom it is unlawful to make such offer or solicitation.**

## TABLE OF CONTENTS

	<u>Page</u>
The Long-Term Incentive Compensation Plan .....	1
General Information.....	1
Administration; Participation .....	1
Individual Award Limits .....	2
Stock Subject to the Plan.....	3
Terms of Awards .....	3
Stock Options .....	3
Stock Appreciation Rights.....	4
Restricted Stock and Restricted Share Rights.....	4
Performance Shares and Performance Units .....	5
Stock Awards.....	6
Performance Policy Awards .....	6
Termination of Employment; Effect of Death, Disability, or Retirement .....	6
Generally .....	6
Death or Permanent Disability.....	6
Retirement .....	7
Effect of Reorganization or Board Changes .....	7
Recoupment.....	7
Transferability .....	7
U.S. Federal Income Tax Consequences .....	8
Non-Qualified Stock Options .....	8
Incentive Stock Options.....	9
Payment of Option Price in Shares.....	9
Stock Appreciation Rights.....	9
Restricted Stock.....	9
Restricted Share Rights.....	9
Performance Shares .....	10
Performance Units and Cash .....	10
Withholding Taxes.....	10
Capital Gains and Losses.....	10
Other Tax Considerations .....	10
Code Section 409A .....	11
Resale of Shares by Affiliates .....	11
Other Restrictions .....	11
Duration, Modification, and Termination of the Plan .....	11
More Information About Wells Fargo.....	12

## LONG-TERM INCENTIVE COMPENSATION PLAN

*The following summary of the Long-Term Incentive Compensation Plan is qualified in its entirety by reference to the Plan, which is incorporated herein by reference. A copy of the current Plan document is available, without charge, by request in writing or by telephone to the address or phone number set forth below in "Administration; Participation." The Plan document may not set forth all of the terms and conditions that govern the exercise of rights and the receipt of benefits under an Award (as defined below). Please refer to the written agreement or other communication evidencing an Award for additional terms and conditions.*

### **General Information**

The purpose of the Long-Term Incentive Compensation Plan (the "Plan") is to motivate key employees and directors to produce a superior return to the Company's stockholders by providing opportunities for them to participate in stockholder gains and by rewarding them for achieving a high level of corporate financial performance. The Plan contains within it a Performance-Based Compensation Policy (the "Performance Policy"), previously a separate document, with the purpose of establishing one or more performance goals for payment of incentive compensation to certain executive officers of the Company. The Plan also is designed to help attract and retain talented personnel and directors with outstanding abilities and skills.

The Plan is not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is not subject to the Employee Retirement Income Security Act of 1974, as amended.

### **Administration; Participation**

The Plan is administered by the Human Resources Committee of the Board of Directors (the "Board") of the Company with respect to Awards to employees (as defined in the Plan) and by the Governance and Nominating Committee of the Board with respect to Awards to non-employee directors, or by another committee established by the Board and consisting of two or more members of the Board (each, the "Committee"). Members of the Committee are named by and may be removed at any time by the Board. Except as limited by the Plan, the Board may exercise any power of the Committee, and to the extent any permitted action by the Board conflicts with action taken by the Committee, the Board action will control. The Committee may delegate the day-to-day administration of the Plan to officers or employees of the Company and its affiliates and/or to one or more agents.

Subject to the express provisions of the Plan, the Committee has the power to:

- prescribe, amend and rescind rules and regulations relating to the Plan and to define terms not otherwise defined therein;
- determine which persons are eligible to participate in the Plan, to which of such participants, if any, Awards shall be granted thereunder and the timing of any such Awards;
- grant Awards to participants and determine the terms and conditions thereof, including the number of shares subject to Awards and the exercise or purchase price of such shares and the circumstances under which Awards become exercisable or vested or are forfeited or expire;
- establish and verify the extent of satisfaction of any performance criteria or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award;

- prescribe and amend the terms of the agreements or other communications evidencing Awards made under the Plan (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Company by participants under the Plan;
- determine whether, and the extent to which, adjustments are required as a result of any reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off or dividend (other than regular, quarterly cash dividends);
- interpret and construe the Plan, any rules and regulations under the Plan and the terms and conditions of any Award granted thereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and
- make all other determinations deemed necessary or advisable for the administration of the Plan.

All decisions, determinations and interpretations by the Committee regarding the Plan, any rules and regulations under the Plan, and the terms and conditions of or operation of any Award granted under the Plan, shall be final and binding on all participants, beneficiaries, heirs, assigns or other persons holding or claiming rights under the Plan or any Award.

Non-employee directors of the Company, and employees of the Company or any of its affiliates who are selected by the Committee, are eligible to be participants in the Plan. For the purposes of the Plan, an eligible “employee” means a common law employee of the Company or an affiliate or an individual who is no longer employed by the Company or an affiliate due to Retirement (as defined below) or otherwise (i) who is eligible to receive a cash bonus or other cash compensation earned while in the employment of the Company or an affiliate and (ii) whose cash bonus or other cash compensation the Committee determines in its discretion to pay in the form of an Award under the Plan. In the discretion of the Committee, an employee or director will become a participant in the Plan upon receiving a grant (an "Award") in the form of stock options, stock appreciation rights, restricted stock, restricted share rights, performance shares, performance units, or stock awards. In addition, certain covered executive officers (as defined in the Plan) of the Company may be eligible to receive performance-based cash awards under the Plan.

For more information about the Plan and its administration, please contact the Corporate Compensation Department, MAC N9310-112, 550 South 4th St., Minneapolis MN 55415; telephone 1-877-574-1039.

### **Individual Award Limits**

There is no fixed minimum number of shares which may be subject to an Award and, in the discretion of the Committee, a participant may receive more than one Award. No participant may be awarded in any calendar year (i) options or stock appreciation rights covering an aggregate of more than 14,000,000 shares of Common Stock, or (ii) awards other than options or stock appreciation rights covering more than 4,000,000 shares of Common Stock. In the case of an Award of incentive stock options, the aggregate fair market value of the shares (determined as of the time the option is granted) subject to incentive stock options which become exercisable for the first time by the participant during any calendar year may not exceed \$100,000 without loss of incentive stock option status. In the case of an Award of stock appreciation rights, the payment (in stock or cash) upon exercise of a stock appreciation right as to any share may not exceed an amount equal to 100% of the fair market value of the share at the time of grant. In the case of an Award of performance shares, the Committee may set an upper limit on the amount payable upon achievement of the maximum performance criteria. The maximum cash award under the Performance Policy portion of the Plan payable in any calendar year to a participant may not exceed 0.2% of the Company’s net income (as defined in the Plan). In addition, pursuant to an Award of performance units granted under the Plan that is intended to satisfy the requirements

for “performance-based compensation” under Code Section 162(m), the maximum cash amount payable in any calendar year to any participant may not exceed a dollar amount equal to 0.2% of the Company’s net income for that calendar year.

### **Stock Subject to the Plan**

As of January 1, 2017, up to 258,997,976 shares of the Company's common stock, \$1-2/3 par value (the "Common Stock"), were available for issuance in accordance with the terms of the Plan, pursuant to either outstanding Awards (assuming the maximum number of performance shares and including dividend equivalents through December 31, 2016 on restricted share rights and the maximum number of performance shares) or Awards yet to be granted. Each share of Common Stock issued under Awards other than options or stock appreciation rights counts against the number of shares available under the Plan as two shares, and each share issued under options or stock appreciation rights counts as one share. Shares not issued due to cancellation, expiration or forfeiture of an Award, and settlements of Awards in cash, do not reduce the number of shares available for issuance under the Plan. Awards granted in substitution or replacement of awards previously granted by an entity acquired by the Company also will not reduce the number of shares available for issuance under the Plan. The number of shares available for issuance under the Plan is subject to adjustment to reflect any change in the number of outstanding shares occurring as a result of stock splits, reverse stock splits, or stock dividends. Either authorized but previously unissued shares or treasury shares may be issued by the Company under the Plan.

### **Terms of Awards**

*The following describes certain terms and conditions that are specified by the Plan for each award type. An individual award may be subject to additional terms and conditions as determined by the Committee consistent with the Plan. Refer to the written agreement or other communication evidencing an award for any additional terms and conditions. Refer to “Termination of Employment; Effect of Death, Disability, or Retirement” below for information about the effect on the exercise of rights and the receipt of benefits under an Award in the event of termination of employment. Awards granted to the Company’s directors and executive officers may be subject to additional restrictions and requirements as and to the extent the Committee determines to be necessary to comply with applicable law.*

**Stock Options.** A grant of a stock option entitles a participant to purchase from the Company a specified number of shares of Common Stock at a specified price per share. The purchase price per share for shares subject to an option shall be fixed by the Committee, but shall not be less than 100% of the fair market value of a share of Common Stock on the day the option is granted. Unless otherwise determined by the Committee or required by applicable law, the "fair market value" as of any date means that day’s New York Stock Exchange-only closing price of a share of Common Stock, except for purposes of determining the amount of compensation and withholding taxes from a cashless exercise (same-day sale) or other option exercise involving a market transaction which shall be based on the actual price at which the sale transaction occurs.

An Award of a stock option will be evidenced by and subject to an award communication, which will specify the number of shares to which the option relates, the option price per share, the date of expiration (which will not be later than the tenth anniversary of the date of the grant), and will contain such other terms and conditions that are consistent with the Plan as the Committee shall determine.

In the discretion of the Committee, a stock option may be granted as an "incentive stock option" or a "non-qualified stock option" (any option which is not an incentive stock option). An incentive stock option is subject to the same terms and conditions applicable to stock options generally under the Plan and, in addition, shall be subject to such other terms and conditions as may be set forth in the Plan for incentive stock options and/or

which the Committee deems necessary or desirable in order to qualify as an incentive stock option within the meaning of Section 422 of the Code.

Stock options may be exercised during a period of time fixed by the Committee except that no stock option (i) may become fully vested until at least one year after the date of grant (other than as a result of the participant's death, permanent disability or Retirement (as defined below) or a change in control of the Company, in each case if and as provided in the Plan or by the Committee), or (ii) may be exercised more than ten years after the date of grant. Once exercisable, a person entitled to exercise an option may, subject to its terms and the terms of the Plan, exercise it in whole at any time, or in part from time to time, by delivery of notice of exercise in the manner provided in the award communication, specifying the number of shares with respect to which the option is being exercised, accompanied by payment of the purchase price of the shares to be purchased. The purchase price of a stock option may be paid in cash or, as and to the extent allowed by the Committee, an irrevocable commitment by a broker to pay the purchase price from the sale of Common Stock issuable upon exercise of the option, the delivery of previously owned shares of Common Stock, a combination thereof, or any other method approved by the Committee.

***Stock Appreciation Rights.*** A grant of stock appreciation rights entitles a participant to receive payment from the Company in cash or in Common Stock, or a combination thereof, as determined by the Committee. The amount of the payment will be equal to the excess of the fair market value of a specified number of shares at the time of exercise of the stock appreciation right over a specified price which shall not be less than 100% of the fair market value of the shares at the time of grant.

Stock appreciation rights may be granted either in tandem with, or as a component of, other Awards granted under the Plan, or not in conjunction with other Awards, and may, but need not, relate to a specific option. Stock appreciation rights are generally subject to the same terms and limitations as options or, when granted in tandem with other Awards, to the same terms and limitations of those Awards.

An Award of stock appreciation rights will be evidenced by and subject to an award communication. A stock appreciation right is exercised in the same manner as a stock option except that no payment to the Company is required. Stock appreciation rights may be exercised during a period of time fixed by the Committee except that a stock appreciation right may not be exercised at any time when the fair market value of the shares to which it relates does not exceed the option price associated with those shares, and no stock appreciation right may be exercised more than ten years after the date of grant. Upon exercise of a stock appreciation right on any share, payment will be made in cash or in Common Stock valued at the fair market value on the date of exercise or a combination of cash and such stock, as determined by the Committee. However, the payment in cash or Common Stock may not exceed an amount equal to 100% of the fair market value of the shares at the time of grant.

***Restricted Stock and Restricted Share Rights.*** An Award of restricted stock consists of a specified number of shares of Common Stock that are subject to restrictions on transfer, conditions of forfeiture, and such other terms and conditions for such periods as shall be determined by the Committee. Any stock certificates issued pursuant to a grant of restricted stock will be deposited with the Company or its designee and, at the election of the Committee, may bear a legend referring to the restrictions. Unless the Committee provides otherwise, while the restrictions remain in effect, a participant may vote and receive dividends with respect to shares of restricted stock. However, a participant may not sell, assign, transfer, exchange, pledge, or otherwise encumber any interest in the restricted stock until after the restrictions lapse and shares free from restrictions are delivered to the participant.

An Award of restricted share rights entitles a participant to receive a specified number of shares of Common Stock upon the expiration of a stated vesting period, subject to any post-vesting holding or retention requirements imposed by the Committee. It may also include the right to dividend equivalents, if and as so

determined by the Committee. A participant who has been awarded restricted share rights may not vote the shares of Common Stock subject to the rights until the shares are issued. Until the vesting period applicable to a restricted share rights Award expires and the shares are issued, the participant may not sell, assign, transfer, exchange, pledge, or otherwise encumber any interest in the restricted share rights or in any related dividend equivalents. Settlement of vested restricted share rights shall be in accordance with the terms and conditions (including time requirements) of the Plan and the terms of the Award.

The Committee has discretion to determine the terms of any Award of restricted stock or restricted share rights, including the number of shares subject to the Award (subject to the Plan's stated limits), and the minimum period over which the award may vest; provided that, subject to acceleration due to the participant's death, permanent disability or Retirement (as defined below) or due to a change in control of the Company and except with respect to a limited number of shorter vesting Awards, (i) in no event may the grant, issuance, retention, vesting and/or settlement of shares under an Award of restricted stock or restricted share rights that is based on the level of achievement versus performance criteria be subject to a performance period of less than one year, and (ii) no condition that is based solely upon continued employment or the passage of time may provide for vesting or settlement in full of an Award of restricted stock or restricted share rights over a term of less than three years from the date of grant. Awards granted in lieu of salary, cash bonus or other cash compensation or in substitution or replacement of awards previously granted by an entity acquired by the Company may have shorter vesting periods as determined by the Committee.

Each Award of restricted stock or restricted share rights shall be evidenced by an award communication containing provisions regarding (i) the number of shares of Common Stock subject to the Award or a formula for determining such number, (ii) the purchase price of the shares, if any, and the means of payment, (iii) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Award as may be determined from time to time by the Committee, (iv) restrictions on the transferability of the Award and (v) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Committee.

***Performance Shares and Performance Units.*** An Award of performance shares or performance units entitles a participant to receive cash, shares of Common Stock, or a combination thereof, based on the degree of achievement of pre-established performance criteria over a performance period of not less than one year nor more than five years, as determined by the Committee.

An Award of a performance shares or performance units will be evidenced by and subject to an award communication, which will specify: (i) the target and maximum amounts payable to the participant under the Award; (ii) the performance criteria and level of achievement versus the criteria that will determine the amount of any payment; (iii) the performance period as to which performance will be measured for determining the amount of any payment; (iv) the timing of any payment earned by virtue of performance; (v) restrictions on the transfer of the Award prior to or after actual payment; (vi) forfeiture provisions; and (vii) such other terms and conditions consistent with the Plan as may be determined by the Committee.

Maximum and minimum performance criteria relating to corporate, group, unit, and/or individual performance over a performance period will be established by the Committee and may be based on earnings, growth in earnings, ratios of earnings to equity or assets, or such other measures or standards as the Committee may determine; provided, however, that the performance criteria for any portion of an Award of performance shares or performance units that is intended by the Committee to satisfy the requirements of "performance-based compensation" under Code Section 162(m) will be a measure based on one or more "Qualifying Performance Criteria" (as defined in the Plan) selected by the Committee and specified at the time of grant, with such adjustments determined by the Committee to the extent consistent with Section 162(m) of the Code including, without limitation, to reflect extraordinary, unusual or infrequently occurring events, transactions or other items; acquired, discontinued or disposed operations; effects of changes in accounting principles, tax or other laws or



requirements; regulatory capital requirements; or similar events or circumstances. In addition, the Committee will establish the maximum amount of a participant's Award, which shall be denominated in shares of Common Stock in the case of an Award of performance shares and in dollars in the case of an Award of performance units.

At the conclusion of a performance period, the Committee shall determine the extent to which performance criteria have been attained, and the satisfaction of any other terms and conditions with respect to an Award relating to such performance period. Notwithstanding satisfaction of any performance criteria, the number of shares issued or amount paid under an Award may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine. Payment will be made to a participant in either a lump sum or installments and in cash, in shares of Common Stock, or in a combination thereof, as determined by the Committee. Payment may be made in shares of restricted stock.

**Stock Awards.** Awards of unrestricted Common Stock may be made under the Plan to an employee only if granted in lieu of salary, cash bonus or other cash compensation. Stock Awards will be subject to such terms and conditions, consistent with the other provisions of the Plan, as determined by the Committee.

**Performance Policy Awards.** The Performance Policy provides for payment of incentive compensation (unless determined otherwise by the Committee, annual incentive compensation) to covered executive officers of the Company (as defined in the Plan). A Performance Policy award may be made under Section 16 of the Plan in the form of cash, shares of Common Stock, restricted share rights, restricted stock, or a combination thereof, as determined by the Committee. Payment of a Performance Policy award will be contingent upon the attainment of one or more pre-established performance goals over a performance period. A covered executive officer will receive an incentive compensation award (subject to the Plan's stated limits) under the Performance Policy within the Plan only if one or more performance goals for the relevant performance period are met. The Performance Policy provides that a performance period is a calendar year beginning January 1 and ending December 31 unless the Committee determines otherwise. The Committee must set performance goals (which can be in the form of alternative goals) in writing for each performance period no later than 90 days after the performance period starts. The Committee may set performance goals for awards under the Performance Policy from the Qualifying Performance Criteria (as defined in the Plan).

### **Termination of Employment; Effect of Death, Disability, or Retirement**

*The following describes the effect on the exercise of rights and the receipt of benefits under an Award upon termination of employment of a participant who received the Award as an employee of the Company or an affiliate. Participants who receive an Award as a non-employee director should refer to the written agreement or other communication evidencing the Award for information about the exercise of rights and the receipt of benefits under the Award after they leave the Board.*

**Generally.** Except as otherwise provided by the Plan or the Committee with respect to termination of employment due to death, permanent disability or Retirement (as defined below), if a participant ceases to be an employee, all rights of the participant under the Plan immediately terminate and are forfeited without notice of any kind except for any post-employment exercise period allowed under the terms of an option Award.

**Death or Permanent Disability.** If a participant ceases to be an employee by reason of death or permanent disability, the provisions described in this paragraph apply to Awards outstanding in the name of the participant as of the date of death or permanent disability. (The Committee may establish and vary by Award the criteria for, and the provisions relating to permanent disability.) If a participant ceases to be an employee by reason of death or permanent disability:

- Stock options and stock appreciation rights become exercisable to the extent and for such period or periods determined by the Committee but not beyond their expiration date.
- Unless the Committee provides otherwise, restrictions on restricted stock and restricted share rights immediately lapse in accordance with the terms of the Award as determined by the Committee.
- Unless the Committee provides otherwise, the performance period for the purpose of determining the amount of performance share or performance unit Awards payable ends at the end of the calendar quarter immediately preceding the date of death or permanent disability. The amount will be paid at the end of the performance period and will be prorated based on the number of full calendar quarters in the performance period completed prior to the date of death or permanent disability.

**Retirement.** If a participant ceases to be an employee by reason of Retirement, the provisions described in this paragraph apply to all Awards outstanding in the name of the participant as of the date of Retirement. “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 Company or an affiliate as determined by the Company or affiliate. In the case of Retirement:

- Stock options and stock appreciation rights become exercisable to the extent and for such period or periods as determined by the Committee but not beyond their expiration date.
- Unless the Committee provides otherwise, Awards of restricted stock and restricted share rights, and all rights related thereto, will immediately terminate and be forfeited.
- Unless the Committee provides otherwise, Awards of performance shares and performance units will be cancelled.

### **Effect of Reorganization or Board Changes**

Effective April 23, 2013, the Plan was amended to eliminate the presumptive provisions that would operate to accelerate the vesting and, as applicable, payment of all stock options, stock appreciation rights, restricted stock, restricted stock rights, and performance awards upon the acquisition of substantially all of the assets of the Company, a reorganization in which the Company is acquired or certain major Board changes unless the Board or Committee takes contrary action with respect to an Award prior to such event.

### **Recoupment**

All Awards (including Awards that have vested in accordance with their award agreements) are subject to the term and conditions, if applicable, of any recoupment policy adopted by the Company from time to time or recoupment requirement imposed under applicable laws, rules or regulations or any applicable securities exchange listing standards, in addition to any recoupment provisions of the individual Award.

### **Transferability**

Unless the Committee provides otherwise with respect to transfers to a participant’s family members or to trusts or partnerships for the benefit of a participant or the participant’s family members, (i) no rights under any

Award will be assignable or transferable and no participant or beneficiary will have any power to anticipate, alienate, dispose of, pledge or encumber any rights under any Award, and (ii) the rights and the benefits of any Award may be exercised and received during the lifetime of a participant only by the participant or by the participant's legal representative. To the extent such a designation is permitted and enforceable under applicable law as determined by the Company, a participant may, by completing and signing a written beneficiary designation form which is delivered to and accepted by the Company, designate a beneficiary to receive any payment and/or exercise any rights with respect to outstanding Awards upon the participant's death. Subject to applicable law and regulation, if at the time of a participant's death there is not on file a fully effective beneficiary designation form, or if the designated beneficiary did not survive the participant, 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 have the right to receive any payment and/or exercise any rights with respect to outstanding Awards, share and share alike:

- (a) Participant's spouse or domestic partner;
- (b) Participant's biological and adopted children, except that if any of his or her children predecease the Participant but leave descendants surviving the Participant, such descendants shall take by right of representation the share their parent would have taken if living;
- (c) Participant's parents;
- (d) Participant's brothers and sisters; or
- (e) Participant's estate.

If a beneficiary survives the Participant but dies before receiving any payment and/or exercising any rights with respect to outstanding Awards (or the beneficiary's share of any payment and/or rights in case of more than one beneficiary), that beneficiary's share of any payment and/or rights with respect to outstanding Awards will be payable to or exercisable by the beneficiary's estate. The terms "spouse" and "domestic partner" will have the meanings given to them in the Plan.

### **U.S. Federal Income Tax Consequences**

The following discussion summarizes the anticipated material U.S. federal income tax consequences to U.S. tax resident participants who may receive awards under the Plan. This summary is based upon the provisions of the Code as in effect as of the date of this Prospectus, and regulations and interpretations with respect to the applicable provisions of the Code as of that date. The Code and such regulations and interpretations are subject to change at any time, possibly with retroactive and material effect. The Company's ability to deduct compensation payable to its senior executive officers and certain other highly compensated employees, including compensation from the exercise, vesting or distribution of Awards under the Plan, may be limited under Code Section 162(m), as amended from time to time.

***Non-Qualified Stock Options.*** A participant who receives a non-qualified stock option grant will not recognize income and the Company will not be allowed a deduction at the time such an option is granted. When a participant exercises a non-qualified stock option, the difference between the option price and any higher fair market value of the stock on the date of exercise will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company or its subsidiary. The capital gain holding period of the shares acquired will begin one day after the date such stock option is exercised. When a participant disposes of shares acquired by the exercise of the option, any amount received in excess of the fair market value of the shares on the date of exercise will be treated as short-term or long-term capital gain, depending upon the holding period of the shares. If the amount received is less than the fair market value of the

shares on the date of exercise, the loss will be treated as short-term or long-term capital loss, depending upon the holding period of the shares.

***Incentive Stock Options.*** A participant who is granted an incentive stock option will not recognize income and the Company will not be allowed a deduction at the time such an option is granted. When a participant exercises an incentive stock option while employed by the Company or its subsidiary or within the three-month (one year, in the case of permanent disability) period after termination of employment, no ordinary income will be recognized by the participant at that time and no deduction may be taken by the Company but the excess of the fair market value of the shares acquired by such exercise over the option price will be an item of tax preference for purposes of the federal alternative minimum tax applicable to individuals. If the shares acquired upon exercise are not disposed of until more than two years after the date of grant and one year after the date of transfer of the shares to the participant (statutory holding periods), the excess of the sale proceeds over the aggregate option price of such shares will be long-term capital gain. Except in the event of death, if the shares are disposed of prior to the expiration of the statutory holding periods (a "Disqualifying Disposition"), the excess of (1) the fair market value of such shares at the time of exercise or (2) the amount realized on disposition of the stock, whichever is less, over the aggregate option price will be ordinary income at the time of such Disqualifying Disposition (and the Company or its subsidiary will be entitled to a federal tax deduction in a like amount).

***Payment of Option Price in Shares.*** If a participant pays the exercise price of a non-qualified or incentive stock option with previously owned shares of the Common Stock and the transaction is not a Disqualifying Disposition, the shares received equal to the number of shares surrendered are treated as having been received in a tax-free exchange. The shares received in excess of the number surrendered will not be taxable if an incentive stock option is being exercised, but will be taxable as ordinary income to the extent of their fair market value if a non-qualified option is being exercised. The participant does not recognize income and the Company receives no deduction as a result of the tax-free portion of the exchange transaction. If the use of previously-acquired incentive stock option shares to pay the exercise price of another incentive stock option constitutes a Disqualifying Disposition, the tax results are as described under the heading "Incentive Stock Options."

***Stock Appreciation Rights.*** A participant who receives a stock appreciation right will not recognize income and the Company will not be allowed a deduction at the time such stock appreciation right is granted. When a participant exercises stock appreciation rights, the amount of cash and/or the fair market value of the shares of Common Stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company or its subsidiary.

***Restricted Stock.*** A recipient of a restricted stock award will be subject to tax at ordinary income rates on the fair market value of the Common Stock at the time the restricted shares are transferable or are no longer subject to restrictions, and the Company or its subsidiary will receive a corresponding deduction. However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of the grant will have ordinary taxable income on the date of the grant equal to the fair market value of the shares as if such shares were unrestricted and could be sold immediately. If the restricted shares subject to such election are forfeited, the recipient will not be entitled to any deduction, refund or loss for tax purposes with respect to the forfeited restricted shares. The holding period to determine whether the recipient has long-term or short-term capital gain or loss upon sale of the restricted shares is measured from the date the restriction period expired. However, if the recipient timely elects to be taxed as of the date of the grant, the holding period commences on the date immediately following the grant date and the tax basis of the stock will be equal to the fair market value of the restricted shares on the date of the grant.

***Restricted Share Rights.*** A recipient of restricted share rights will be subject to tax at ordinary income tax rates on the fair market value of the Common Stock at the time the restricted share rights vest and are no longer

subject to restrictions, and the Company or its subsidiary will receive a corresponding deduction. The holding period to determine whether the recipient has long-term or short-term capital gain or loss upon sale of the shares issued pursuant to restricted share rights is measured from the date the restrictions lapse.

**Performance Shares.** A recipient of performance shares will be subject to tax at ordinary income tax rates on the fair market value of the Common Stock at the time the performance shares vest and become payable.

**Performance Units and Cash.** A recipient of performance units or a performance-based cash award will be subject to tax at ordinary income tax rates on the value of the unit or cash amount when it becomes payable.

**Withholding Taxes.** At the time taxable compensation is realized by a participant as described in the preceding paragraphs, the amount of such taxable compensation may be subject to withholding tax requirements. The Company has the right to deduct from all payments under the Plan, whether in cash or Common Stock, an amount necessary to satisfy any federal, state, or local withholding tax requirements. The outstanding portion of an Award will become subject to FICA (Social Security and Medicare) taxes for the calendar year in which the Award is no longer subject to a substantial risk of forfeiture. This could occur, for example, if the terms of an Award provide that the Award will continue to vest upon a participant's Retirement and the participant becomes eligible for Retirement prior to full vesting of the Award. In this case, the participant would owe FICA taxes on the outstanding portion of the Award in the year the participant becomes eligible for Retirement even though the participant does not retire and the Award is not distributed until future years. In addition, the Company may be obligated to report, to the Internal Revenue Service, the value of the outstanding portion of the Award as deferred compensation for the year the participant becomes eligible for Retirement. The Award will be subject to income tax withholding at the time of distribution.

**Capital Gains and Losses.** Beginning January 1, 2013, the excess of net long-term capital gains over net short-term capital losses is taxed at a maximum rate of 20% which applies to U.S. taxpayers who fall in the top income tax bracket. Also beginning in 2013, capital gain income will be subject to an additional 3.8% Medicare tax for taxpayers with income at or above a certain threshold (\$250,000 for married individuals filing a joint return and qualifying widows or widowers, \$200,000 for single and head of household filers, and \$125,000 for married individuals filing a separate return). Capital losses can be deducted only to the extent of capital gains plus (if the losses exceed the gains) the lower of (a) \$3,000 (\$1,500 for married individuals filing a separate return), or (b) the excess of the losses over the gains. Net capital losses in excess of this maximum deductible amount may be carried over to later years indefinitely until used.

**Other Tax Considerations.** The foregoing is only a summary of the applicable U.S. federal income tax laws and should not be relied upon as being a complete statement of the potential tax consequences of participation in the Plan or non-compliance with Code Section 409A (see below). The tax laws are from time to time subject to change. In addition, a participant may incur state or local tax consequences in connection with the grant or receipt of shares under the Plan and the disposition of those shares. The income tax consequences for participants who do not reside in the U.S. may vary from jurisdiction to jurisdiction. Therefore, participants are strongly encouraged to consult a tax adviser:

- prior to the exercise of a non-qualified or incentive stock option,
- to determine the tax cost (basis) and holding period of shares of Common Stock acquired pursuant to the exercise of an option using shares of previously acquired Common Stock,
- prior to the disposition of shares acquired pursuant to the exercise of an option,
- upon receipt of a grant of restricted stock (an election to be taxed under Section 83(b) of the Code must be made within 30 days after the date of grant),

- upon receipt of shares free from restrictions, and
- prior to the disposition of shares free from restrictions.

**Code Section 409A.** Awards granted under the Plan may be subject to Code Section 409A, which imposes restrictions on the deferral of compensation that has been earned. Non-compliance with Section 409A and related Internal Revenue Service guidance will cause compensation subject to Section 409A to be taxable at the time the compensation is considered to have been earned even if the compensation is not distributed at that time, and will subject such amounts to an additional 20% Federal penalty tax (such amounts may also be subject to a state penalty tax) and to a higher rate of interest (specifically, the normal underpayment rate plus one percentage point). Neither the Company nor any affiliate can assure compliance of the Plan or any Award with Section 409A and the Company makes no representation that Awards granted under the Plan will be exempt from or comply with Code Section 409A.

To the extent required by Code Section 409A, the portion of any restricted share rights, performance shares or performance units that is subject to Code Section 409A and becomes payable to a participant as a result of a termination of employment in accordance with the terms of the Award and the terms of the Plan will not be paid until six months after the date of termination of employment if the participant is a “specified employee” (as defined in the Plan).

### **Resale of Shares by Affiliates**

This Prospectus will not be available for the resale of shares of Common Stock acquired pursuant to the terms of the Plan by an affiliate of the Company, as that term is defined in Rule 405 adopted under the Securities Act of 1933, as amended (the "Securities Act"). Generally, affiliates may resell their shares in compliance with Rule 144 under the Securities Act or pursuant to an effective registration statement filed with respect to such shares on Form S-1, S-2, S-3, or other applicable form under the Securities Act. Participants who are not affiliates of the Company generally may resell their shares without compliance with Rule 144 or further registration under the Securities Act.

### **Other Restrictions**

The issuance of Common Stock or other payment of an Award under the Plan is subject to compliance by Wells Fargo and Plan participants with all legal requirements applicable thereto, including compliance with the requirements of 12 C.F.R. Part 359 and tax withholding obligations, and with all applicable regulations of any stock exchange on which the Common Stock may be listed at the time of issuance. The Board or the Committee may reduce, delay vesting, modify, revoke, cancel, impose additional conditions and restrictions on or recover all or a portion of any Award if the Board or the Committee deems it necessary or advisable to comply with applicable laws, rules and regulations.

### **Duration, Modification, and Termination of the Plan**

The Plan will remain available for the grant of Awards until April 23, 2023, unless earlier terminated by the Board. The Board or the Committee may at any time modify, suspend, or terminate the Plan but may not, without the approval of the stockholders of the Company, effect any change (other than to reflect changes in capitalization) which will reduce the exercise price of, or reprice, outstanding Options or Stock Appreciation Rights as set forth in Section 10.6 or Section 11.3 of the Plan, as applicable, or otherwise amend the Plan in any manner requiring stockholder approval by law or under the New York Stock Exchange listing requirements. A modification, suspension, or termination of the Plan may not adversely affect in any material manner any rights under an outstanding Award without the consent of the participant. It will be conclusively presumed that any

adjustment for changes in capitalization provided for in Section 25 of the Plan does not adversely affect any such rights.

### **MORE INFORMATION ABOUT WELLS FARGO**

Wells Fargo is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (“SEC”). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained in the SEC’s Public Reference Room in Washington, D.C. at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the Public Reference Room. The SEC also maintains a web site ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy statements and other information regarding Wells Fargo. Such reports, proxy statements and other information also may be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005 and are also available at [www.wellsfargo.com](http://www.wellsfargo.com). Information on Wells Fargo’s internet website (or on the internet website of any of its subsidiaries), is not part of this document.

A copy of Wells Fargo’s Annual Report to Stockholders for the most recent fiscal year will be furnished to each participant in the Plan, and an additional copy will be furnished without charge to the participant upon written or oral request. In addition, any participant receiving a copy of this Prospectus may obtain, without charge, upon written or oral request, a copy of any or all of the following documents incorporated by reference herein, except for certain exhibits to those documents. Written requests should be sent to: Corporate Secretary, Wells Fargo & Company, MAC D1053-300, 301 S. College St., Charlotte, North Carolina 28202. Telephone requests may be directed to 1-704-383-4901.

Wells Fargo is incorporating by reference into this prospectus the information in certain documents Wells Fargo files with the SEC. This means that Wells Fargo is disclosing important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When Wells Fargo updates the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded, except that Wells Fargo is not incorporating by reference any document or information that is only “furnished” to the SEC or that is otherwise not deemed to be filed with the SEC. Documents incorporated by reference include, but are not limited to, the following (other the portions of those documents not deemed to be filed):

- Annual Report on Form 10-K for the year ended December 31, 2015;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016;
- Current Reports on Form 8-K filed January 4, 2016; January 5, 2016; January 7, 2016; January 15, 2016; January 22, 2016; January 26, 2016; January 28, 2016; January 29, 2016 (three filings); February 1, 2016; February 3, 2016 (two filings); February 9, 2016; February 12, 2016; February 19, 2016; February 24, 2016; February 26, 2016 (two filings); February 29, 2016; March 1, 2016; March 4, 2016; March 8, 2016; March 9, 2016; March 11, 2016; March 14, 2016; March 15, 2016; March 16, 2016; March 18, 2016; March 21, 2016; March 22, 2016; March 23, 2016; March 28, 2016; March 29, 2016; March 31, 2016; April 4, 2016; April 5, 2016; April 6, 2016; April 7, 2016; April 8, 2016; April 11, 2016; April 14, 2016; April 15, 2016; April 21, 2016; April 22, 2016 (2 filings); April 26, 2016; April 27, 2016; April 29, 2016 (2 filings); May 4, 2016; May 6, 2016; May 9, 2016; May 10, 2016; May 17, 2016; May 18, 2016; May 24, 2016; May 25, 2016; May 26, 2016; May 27, 2016; May 31, 2016; June 2, 2016; June 3, 2016; June 6, 2016 (2 filings); June 7, 2016;

June 8, 2016; June 10, 2016; June 14, 2016; June 15, 2016; June 22, 2016; July 6, 2016; July 7, 2016; July 11, 2016; July 12, 2016 (2 filings); July 15, 2016; July 25, 2016 (as amended on July 26, 2016); July 27, 2016; July 28, 2016; July 29, 2016; August 3, 2016; August 4, 2016; August 5, 2016; August 8, 2016; August 10, 2016; August 15, 2016; August 17, 2016; August 18, 2016; August 19, 2016; August 23, 2016; August 24, 2016; August 26, 2016; and August 29, 2016; August 30, 2016; August 31, 2016; September 1, 2016; September 2, 2016; September 8, 2016; September 14, 2016; September 20, 2016; September 21, 2016; September 22, 2016; September 23, 2016; September 28, 2016 (2 filings); October 5, 2016; October 7, 2016; October 11, 2016 (2 filings); October 12, 2016; October 14, 2016; October 18, 2016; October 21, 2016 (2 filings); October 25, 2016; October 27, 2016 (2 filings); October 31, 2016 (2 filings); November 1, 2016; November 4, 2016; November 7, 2016; November 15, 2016; November 17, 2016; November 21, 2016 (2 filings); December 1, 2016; December 5, 2016; December 7, 2016; December 8, 2016 (2 filings); December 9, 2016; December 13, 2016; December 14, 2016 (2 filings); December 16, 2016; December 22, 2016; December 28, 2016; and December 30, 2016 (other than portions of these documents not deemed to be filed); and

- Exhibit 99(e) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, which contains a description of the Common Stock, including any amendment or report filed to update such description.

All documents filed by Wells Fargo with the SEC pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this Prospectus and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Information furnished, but not filed, under the Exchange Act shall not be incorporated by reference in this Prospectus. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.