

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

GARY HEFLER, MARCELO MIZUKI, GUY SOLOMONOV, UNION ASSET MANAGEMENT HOLDING AG, and CITY OF HIALEAH EMPLOYEES' RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

WELLS FARGO & COMPANY, JOHN G. STUMPF, JOHN R. SHREWSBERRY, CARRIE L. TOLSTEDT, TIMOTHY J. SLOAN, DAVID M. CARROLL, DAVID JULIAN, HOPE A. HARDISON, MICHAEL J. LOUGHLIN, AVID MODJTABAI, JAMES M. STROTHER, JOHN D. BAKER II, JOHN S. CHEN, LLOYD H. DEAN, ELIZABETH A. DUKE, SUSAN E. ENGEL, ENRIQUE HERNANDEZ JR., DONALD M. JAMES, CYNTHIA H. MILLIGAN, FEDERICO F. PEÑA, JAMES H. QUIGLEY, JUDITH M. RUNSTAD, STEPHEN W. SANGER, SUSAN G. SWENSON, and SUZANNE M. VAUTRINOT,

Defendants.

Case No. 3:16-cv-05479-JST

CLASS ACTION

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT;
(II) SETTLEMENT HEARING; AND (III) MOTION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Northern District of California (the "Court"), if you purchased the common stock of Wells Fargo & Company ("Wells Fargo") during the period from February 26, 2014 through September 20, 2016, inclusive (the "Class Period").¹

NOTICE OF SETTLEMENT: Please also be advised that the Court-appointed Lead Plaintiff, Union Asset Management Holding, AG ("Lead Plaintiff"), on behalf of itself and the Settlement Class (as defined in ¶ 25 below), has reached a proposed settlement of the Action for \$480,000,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Wells Fargo, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 89 below).

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated July 30, 2018 (the "Stipulation"), which is available at www.WellsFargoSecuritiesLitigation.com.

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Wells Fargo and certain of its officers and directors (the “Individual Defendants”)² violated the federal securities laws by making false and misleading statements regarding Wells Fargo’s business. A more detailed description of the Action is set forth in paragraphs 11-24 below. If the Court approves the proposed Settlement, the Action will be dismissed and members of the Settlement Class (defined in paragraph 25 below) will settle and release all Released Plaintiffs’ Claims (defined in paragraph 36 below).

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Action in exchange for a settlement payment of \$480,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys’ fees awarded by the Court) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth on pages 10-12 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff’s damages expert’s estimates of the number of shares of Wells Fargo common stock purchased during the Class Period that may have been affected by the conduct alleged in the Action and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) per eligible share is \$0.44. Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased or sold their Wells Fargo common stock, and the total number and value of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 10-12 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct. Nevertheless, Lead Plaintiff’s best estimate is that, if it were able to prevail in the Action, it would be able to recover between approximately \$351.3 million and \$3.064 billion on behalf of the Settlement Class. Accordingly, the settlement payment of \$480,000,000 represents between approximately 137% and 15.7% of these recovery estimates. These approximate estimates are based on publicly available information concerning trading in Wells Fargo securities and Lead Plaintiff’s damages expert’s calculations of the estimated amount of artificial inflation in the per-share closing price of Wells Fargo common stock during the Class Period. Defendants do not agree with and dispute these estimates and dispute that the Settlement Class would be entitled to any recovery. Indeed, Plaintiffs faced significant risks in proving loss causation and damages. These risks include that: (i) on September 8, 2016 (when Wells Fargo first disclosed that it had settled regulators’ claims of creating fake or unauthorized accounts for \$185 million), Wells Fargo’s stock price did not decline in value, but, in fact, increased from the prior day’s close; (ii) Defendants would argue that the decline in Wells Fargo’s stock price the following day was not statistically significant, and that it was not sufficient to establish either loss causation or damages; (iii) Defendants would argue that all subsequent stock price declines (on September 12, 13, 15 and 21) were too late, or not caused by the revelation of new, actionable information because Defendants had already disclosed the alleged fraud on September 8; (iv) Defendants would argue that subsequent action taken by the government, and any admissions by Wells Fargo, did not materially add to the mix of information already in the market as of September 8, 2016; (v) on September 20, 2016 (when Defendant Stumpf publicly testified that the Wells Fargo Board of Directors was aware of fraudulent accounts by at least 2013), Wells Fargo’s stock price did not decline in value, but, in fact, again increased from the prior day’s close; (vi) Defendants would argue that the stock price decline on September 21, 2016 was caused by independent third party commentary on Stumpf’s testimony, and not the revelation of new facts concerning the alleged fraud; and (vii) Defendants would argue that investors’ gains attributable to the alleged fraud on shares of Wells Fargo common stock purchased before the Class Period must be used to offset any claimed losses arising from the fraud.

² The “Individual Defendants” are John G. Stumpf, John R. Shrewsberry, Carrie L. Tolstedt, Timothy J. Sloan, David M. Carroll, David Julian, Hope A. Hardison, Michael J. Loughlin, Avid Modjtabei, James M. Strother, John D. Baker II, John S. Chen, Lloyd H. Dean, Elizabeth A. Duke, Susan E. Engel, Enrique Hernandez, Jr., Donald M. James, Cynthia H. Milligan, Federico F. Peña, James H. Quigley, Judith M. Runstad, Stephen W. Sanger, Susan G. Swenson, and Suzanne M. Vautrinot. Wells Fargo and the Individuals Defendants are collectively referred to as “Defendants.”

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 20% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the claims against the Defendants, in an amount not to exceed \$750,000, and for reimbursement of reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class in an amount not to exceed \$50,000. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimated average cost per affected share of Wells Fargo common stock, if the Court approves Lead Counsel's fee and expense application, is \$0.09 per share.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Settlement Class are represented by Salvatore J. Graziano, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, (800) 380-8496, settlements@blbgllaw.com.

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JANUARY 23, 2019.	This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 36 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 37 below), so it is in your interest to submit a Claim Form.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION NO LATER THAN NOVEMBER 27, 2018.	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION NO LATER THAN NOVEMBER 27, 2018.	If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.
GO TO A HEARING ON DECEMBER 18, 2018 AT 2:00 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR NO LATER THAN NOVEMBER 27, 2018.	Filing a written objection and notice of intention to appear by November 27, 2018 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.
DO NOTHING.	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased Wells Fargo common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 79 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

11. The Action involves allegations that, during the period from February 26, 2014 through September 20, 2016, Defendants made misrepresentations and omissions about a key element of Wells Fargo's business, its "cross-selling" business model, including failing to disclose that thousands of Wells Fargo employees were opening unauthorized deposit and credit card accounts without the knowledge or consent of Wells Fargo's customers.

12. On September 26, 2016, a class action complaint, styled *Hefler v. Wells Fargo & Company, et al.*, Case No. 16-cv-05479, was filed in the United States District Court for the Northern District of California (the "Court") asserting violations of federal securities laws against Wells Fargo and certain of the Individual Defendants. A related securities class action complaint, *Klein v. Wells Fargo & Company, et al.*, Case No. 16-cv-5513, was filed on September 28, 2016.

13. By order dated January 5, 2017, the Court consolidated the two securities class actions, appointed Union Asset Management Holding, AG as lead plaintiff for the Action, and approved Union's selection of Motley Rice LLC as lead counsel and Robbins Geller Rudman & Dowd LLP as liaison counsel.

14. On March 6, 2017, Lead Plaintiff and named plaintiffs Gary Hefler, Marcelo Mizuki, and Guy Solomonov filed the Consolidated Class Action Complaint for Violations of the Federal Securities Laws (the "Consolidated Complaint"). The Consolidated Complaint asserted claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against Wells Fargo and Defendants Stumpf, Sloan, Tolstedt, Carroll, Modjtabai, Loughlin and Shrewsberry; under Section 20A of the Exchange Act against Defendants Carroll, Loughlin, Modjtabai, Sloan, Stumpf and Tolstedt; and under Section 20(a) of the Exchange Act against all Defendants.

15. On May 16, 2017, Lead Plaintiff filed a Stipulation and Proposed Order substituting Bernstein Litowitz Berger & Grossmann LLP for Motley Rice LLP as Lead Counsel for the Action, which the Court approved on May 17, 2017.

16. On June 19, 2017, Defendants filed and served eight motions to dismiss the Consolidated Complaint. On August 21, 2017, Lead Plaintiff filed and served its omnibus opposition to Defendants' motions to dismiss, and on September 25, 2017, Defendants filed and served their replies in further support of their motions to dismiss.

17. While Defendants' motions to dismiss were pending, the Parties agreed to discuss the possibility of resolving the Action through settlement and scheduled a mediation with former United States District Judge Layn R. Phillips. In advance of the mediation, the Parties prepared and exchanged detailed mediation statements addressing liability and damages issues. The Parties participated in a full-day mediation session before Judge Phillips in New York City on February 6, 2018, but the Parties did not reach an agreement at that mediation.

18. On February 27, 2018, the Court entered its Order granting in part and denying in part Defendants' motions to dismiss the Consolidated Complaint. The Court dismissed, without prejudice, the claims against Defendants Carroll, Loughlin, and Modjtabai under Sections 10(b) and 20A and against Defendant Tolstedt under Section 20A. In all other respects, the Court denied Defendants' motions to dismiss.

19. On March 8, 2018, Wells Fargo produced to Lead Plaintiff the documents produced to plaintiffs in *In re Wells Fargo & Company Shareholder Derivative Litigation*, No. 16-CV-5541-JST (N.D. Cal.).

20. On March 15, 2018, Lead Plaintiff, named plaintiffs Hefler, Mizuki and Solomonov, and additional named plaintiff City of Hialeah Employees' Retirement System (collectively, "Plaintiffs") filed the Second Consolidated Class Action Complaint for Violations of Federal Securities Laws (the "Complaint"). The Complaint asserts claims under Section 10(b) of the Exchange Act and Rule 10b-5 thereunder against Wells Fargo and Defendants Stumpf, Sloan, Tolstedt, and Shrewsberry; under Section 20A of the Exchange Act against Defendants Sloan, Stumpf, and Tolstedt; and under Section 20(a) of the Exchange Act against all Defendants. The Complaint alleges that, during the Class Period, Wells Fargo and certain of the Individual Defendants made repeated misrepresentations and omissions about a core element of Wells Fargo's business, its "cross-selling" business model, including failing to disclose that thousands of Wells Fargo employees were opening unauthorized deposit and credit card accounts without the knowledge or consent of the customers. The Complaint further alleges that the price of Wells Fargo stock was artificially inflated during the Class Period as a result of those misrepresentations and omissions and that the price fell sharply when the truth began to be revealed in September 2016. The Complaint also alleges that certain of the Individual Defendants personally profited by selling Wells Fargo common stock during the Class Period while in possession of adverse, material non-public information.

21. The Parties scheduled a second mediation session before Judge Phillips for April 13, 2018. In advance of that session, the Parties held a telephonic meet-and-confer to discuss damages and prepared and exchanged supplemental mediation statements. After a day and a half of intensive negotiations on Friday, April 13 and Saturday, April 14, and with the assistance of Judge Phillips, the Parties reached an agreement in principle to settle the Action that the Parties memorialized in a term sheet (the "Term Sheet") executed on April 14, 2018. The Term Sheet sets forth the Parties' agreement to settle and release all claims against Defendants in return for a cash payment of \$480,000,000 to be paid by Wells Fargo on behalf of all Defendants for the benefit of the Settlement Class, subject to the completion of due diligence discovery and other terms and conditions, including the execution of a formal stipulation and agreement of settlement and related papers.

22. Lead Counsel conducted extensive due diligence discovery regarding the strengths and weaknesses of Plaintiffs' claims to assure the reasonableness of the proposed Settlement. The due diligence discovery included the review of more than three million pages of discovery produced by Wells Fargo beginning on April 3, 2018, including documents from 65 custodians negotiated by the parties. The due diligence discovery has confirmed Lead Plaintiff's and Lead Counsel's belief that the Settlement is fair, reasonable and adequate.

23. On July 30, 2018, the Parties entered into a Stipulation and Agreement of Settlement (the “Stipulation”), which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at www.WellsFargoSecuritiesLitigation.com.

24. On September 4, 2018, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT? WHO IS INCLUDED IN THE SETTLEMENT CLASS?

25. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons and entities who purchased Wells Fargo common stock from February 26, 2014 through September 20, 2016, inclusive (the “Class Period”).

Excluded from the Settlement Class are: (i) Defendants; (ii) Immediate Family Members³ of any Individual Defendant; (iii) any person who was a director or member of the Operating Committee of Wells Fargo during the Class Period and their Immediate Family Members; (iv) any parent, subsidiary or affiliate of Wells Fargo; (v) any firm, trust, corporation, or other entity in which Defendants or any other excluded person or entity has, or had during the Class Period, a controlling interest; and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded persons or entities. Notwithstanding the foregoing exclusions, no Investment Vehicle⁴ shall be excluded from the Settlement Class. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself,” on page 13 below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JANUARY 23, 2019.

WHAT ARE LEAD PLAINTIFF’S REASONS FOR THE SETTLEMENT?

26. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. To defeat summary judgment and prevail at trial, Lead Plaintiff would have been required to prove not only that Defendants’ statements about Wells Fargo’s cross-sell metric and related practices were false, but that the Individual Defendants knew that their statements were false when made or were reckless in making the statements, and that the revelation of the truth about Defendants’ false and misleading statements caused declines in the price of Wells Fargo’s stock. In addition, Lead Plaintiff would have had to establish the amount of class-wide damages.

27. Defendants would have had substantial arguments to make concerning each of these issues. For example, Defendants would have argued that any misstatements they made were immaterial given the impact the alleged sales misconduct had on the Company’s reported cross-sell metrics. Defendants also would have argued that Lead Plaintiff could not prove intent to defraud, or scienter, because the Individual Defendants did not appreciate the extent of sales misconduct at the Company or anticipate the public reaction it would elicit once disclosed, and in fact believed that the scope of sales misconduct was limited and under control. In addition, Defendants would have argued that

³ “Immediate Family Members” means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this definition, “spouse” shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

⁴ “Investment Vehicle” means any investment company or pooled investment fund, including but not limited to mutual fund families, exchange-traded funds, funds of funds, private equity funds, real estate funds, and hedge funds, as to which Wells Fargo or any affiliate of Wells Fargo acts or acted as investment advisor but of which Wells Fargo or any affiliate of Wells Fargo is not a majority owner or does not hold a majority beneficial interest. This definition of Investment Vehicle does not bring into the Settlement Class Wells Fargo itself.

the decline in Wells Fargo's stock price was not caused by the revelation that the Company's reported cross-sell metrics were overstated, and that, even if some portion of the decline was caused by such revelations, any resulting damages to Lead Plaintiff and the Settlement Class were small. Had any of these arguments been accepted in whole or in part, it could have eliminated or, at a minimum, drastically limited any potential recovery.

28. Further, in order to obtain a recovery for the class, Lead Plaintiff would have to prevail at several stages – class certification, summary judgment, and trial – and, even if it prevailed on those, on the appeals that were likely to follow. Thus, there were significant risks attendant to the continued prosecution of the Action, and there was no guarantee that further litigation would have resulted in a higher recovery, or any recovery at all.

29. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$480,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no recovery after summary judgment, trial, and appeals, possibly years in the future.

30. Defendants have denied all claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

31. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover less than the amount provided in the Settlement, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

32. As a Settlement Class Member, you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 13 below.

33. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 13 below.

34. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," on page 13 below.

35. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, assigns, parents, subsidiaries, affiliates, officers, directors, agents, fiduciaries, beneficiaries or legal representatives, in their capacities as such, and any other person or entity legally entitled to bring Released Plaintiffs' Claims (as defined in ¶ 36 below) on behalf of a Settlement Class Member, in that capacity, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against Defendants and the other Defendants' Releasees (as defined in ¶ 37 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

36. “Released Plaintiffs’ Claims” means any and all claims, debts, demands, rights or causes of action or liabilities of every nature and description (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether known claims or Unknown Claims, whether arising under federal, state, local, foreign, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, that both (i) concern, arise out of, relate to, or are based upon the purchase, acquisition, or ownership of Wells Fargo common stock during the Class Period and (ii) were asserted or could have been asserted in this Action by Lead Plaintiff or any other member of the Settlement Class against any of the Defendants’ Releasees that arise out of, relate to, or are based upon any of the allegations, circumstances, events, transactions, facts, matters, occurrences, statements, representations or omissions involved, set forth, or referred to in the Complaint, except for claims relating to the enforcement of the Settlement. “Released Plaintiffs’ Claims” does not include the claims asserted in any derivative or ERISA action against any of the Defendants, including without limitation the claims asserted in *In re Wells Fargo & Co. Shareholder Derivative Litigation*, Case No. 3:16-cv-05541-JST (N.D. Cal.); *Hannon v. Loughlin, et al.*, Case No. 17-cv-07236 (N.D. Cal.); *In re Wells Fargo & Company Derivative Litigation*, Case No. CGC 16-554407 (Cal. Super. Ct.); *Herron v. Stumpf, et al.*, Case No. 18-cv-00466 (Cal. Super. Ct.); *Connecticut Laborers Pension and Annuity Funds, et al. v. John G. Stumpf, et al.*, C.A. No. 2017-0380-SG (Del. Ch.); *Rosenfeld v. Stumpf*, C.A. No. 2017-0383 (Del. Ch.); and *In re: Wells Fargo ERISA 401(k) Litigation*, Case No. 0:16-cv-03405 (D. Minn.), and any cases consolidated into any of the foregoing actions. Also, for the avoidance of doubt, the Settlement does not release any claims of any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

37. “Defendants’ Releasees” means Defendants and each of Defendants’ current or former directors, officers, employees, partners, insurers, co-insurers, reinsurers of said insurers and co-insurers, controlling shareholders, attorneys, accountants or auditors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, agents, assigns, spouses, heirs, executors, estates, administrators, related or affiliated entities, any entity in which a Defendant has a controlling interest, any Individual Defendant’s Immediate Family Members, and any trust of which any Individual Defendant is the settlor or which is for the benefit of any Individual Defendant’s family.

38. “Unknown Claims” means any Released Plaintiffs’ Claims which Lead Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his, her or its favor at the time of the release of such claims, in each case which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff and Defendants acknowledge, and each of the Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

39. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, assigns, parents, subsidiaries, affiliates, officers, directors, agents, fiduciaries, beneficiaries or legal representatives, in their capacities as such, and any other person or entity legally entitled to bring Released Defendants’ Claims (as defined in ¶ 40 below) on behalf of any Defendant, in that capacity, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim against Lead Plaintiff and the other Plaintiffs’ Releasees (as defined in ¶ 41 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

40. “Released Defendants’ Claims” means all claims, debts, demands, rights or causes of action or liabilities of every nature and description (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether known claims or Unknown Claims, whether arising under federal, state, local, foreign, statutory or common law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against the Defendants. Released Defendants’ Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

41. “Plaintiffs’ Releasees” means Plaintiffs, all other plaintiffs in this consolidated Action, and all Settlement Class Members, and each of Plaintiffs’ current or former directors, officers, employees, partners, insurers, co-insurers, reinsurers of said insurers and co-insurers, controlling shareholders, attorneys, accountants or auditors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, agents, assigns, spouses, heirs, executors, estates, administrators, related or affiliated entities, any entity in which a Plaintiff has a controlling interest, any Plaintiff’s Immediate Family Members, and any trust of which any Plaintiff is the settlor or which is for the benefit of any Plaintiff’s family.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

42. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than January 23, 2019**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.WellsFargoSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-855-349-6457. Please retain all records of your ownership of and transactions in Wells Fargo common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

43. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.

44. Pursuant to the Settlement, Defendants have agreed to pay or caused to be paid four hundred eighty million dollars (\$480,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

45. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

46. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

47. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

48. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before January 23, 2019 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 36 above) against the Defendants’ Releasees (as defined in ¶ 37 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees whether or not such Settlement Class Member submits a Claim Form.

49. Participants in and beneficiaries of a Wells Fargo employee benefit plan covered by ERISA (“Wells Fargo ERISA Plan”) should NOT include any information relating to their transactions in Wells Fargo common stock held through the Wells Fargo ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY shares they purchased outside of the Plan. For Claims based on any Wells Fargo ERISA Plan’s purchases of Wells Fargo common stock during the Settlement Class Period, a determination about whether to participate in the

Settlement will be made by a Plan fiduciary and, if that Plan fiduciary determines to participate in the Settlement, it will submit such Claims. To the extent that any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the Wells Fargo ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the Plan.

50. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

52. Only Settlement Class Members or persons authorized to submit a claim on their behalf will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PROPOSED PLAN OF ALLOCATION

53. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Complaint. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

54. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in the per-share closing price of Wells Fargo common stock which allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions.

55. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in Wells Fargo common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces. The estimated artificial inflation per share of Wells Fargo common stock is stated in Table A at the end of this Notice.

56. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Wells Fargo common stock. In this case, Lead Plaintiff alleges that Defendants made false statements and omitted material facts during the period between February 26, 2014 and September 20, 2016, inclusive, which had the effect of artificially inflating the price of Wells Fargo common stock. Lead Plaintiff further alleges that corrective information was released to the market on September 8, 2016, September 13, 2016, September 14, 2016, and September 20 and 21, 2016, which partially removed the artificial inflation from the price of Wells Fargo common stock, and caused material stock price declines on: September 9-12, 2016, September 13, 2016, September 15, 2016, and September 21, 2016.

57. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Wells Fargo common stock at the time of purchase and at the time of sale or the difference between the actual purchase price and sale price. In order to have a Recognized Loss Amount under the Plan of Allocation, a Settlement Class Member who or which purchased Wells Fargo common stock prior to the first corrective disclosure, which occurred on September 8, 2016, must have held his, her or its shares of Wells Fargo common stock until at least September 9, 2016. A Settlement Class Member who purchased Wells Fargo common stock from September 9, 2016 through and including the end of the day on September 20, 2016, must have held those shares through at least one of the later dates where new corrective information was released to the market and partially removed the artificial inflation from the price of Wells Fargo common stock.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

58. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase of Wells Fargo common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

59. For each share of Wells Fargo common stock purchased during the Class Period (*i.e.*, during the period from February 26, 2014 through and including the close of trading on September 20, 2016), and:

- (a) Sold before September 9, 2016, the Recognized Loss Amount will be \$0.00;
- (b) Sold from September 9, 2016 through and including September 20, 2016, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as stated in Table A *minus* the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase price *minus* the sale price.
- (c) Sold from September 21, 2016 through and including the close of trading on December 19, 2016, the Recognized Loss Amount will be *the least of*: (i) the amount of artificial inflation per share on the date of purchase as stated in Table A; (ii) the purchase price *minus* the average closing price between September 21, 2016 and the date of sale as stated in Table B below; or (iii) the purchase price *minus* the sale price.
- (d) Held as of the close of trading on December 19, 2016, the Recognized Loss Amount will be *the lesser of*: (i) the amount of artificial inflation per share on the date of purchase as stated in Table A; or (ii) the purchase price *minus* \$48.96.⁵

ADDITIONAL PROVISIONS

60. **Calculation of Claimant's "Recognized Claim":** A Claimant's "Recognized Claim" will be the sum of his, her or its Recognized Loss Amounts as calculated above with respect to Wells Fargo common stock.

61. **FIFO Matching:** If a Settlement Class Member made more than one purchase or sale of Wells Fargo common stock during the relevant period, all purchases and sales will be matched on a First In, First Out ("FIFO") basis. Sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period.

62. **"Purchase/Sale" Dates:** Purchases and sales of Wells Fargo common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. "Purchases" eligible under the Settlement and this Plan of Allocation include all purchases or other acquisitions of Wells Fargo common stock in exchange for value and are not limited to purchases made on or through a stock exchange, as long as the purchase is adequately documented. However, the receipt or grant by gift, inheritance, or operation of law of Wells Fargo common stock during the Class Period shall not be deemed a purchase or sale of Wells Fargo common stock for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/sale of Wells Fargo common stock unless (i) the donor or decedent purchased the shares during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares.

63. **Short Sales:** The date of covering a "short sale" is deemed to be the date of purchase of the Wells Fargo common stock. The date of a "short sale" is deemed to be the date of sale of the Wells Fargo common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" and the purchases covering "short sales" is zero. In the event that a Claimant has an opening short position in Wells Fargo common stock, the earliest purchases of Wells Fargo common stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

64. **Common Stock Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Wells Fargo common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

65. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a "Market Gain" or a "Market Loss" with respect to his, her, or its overall transactions in Wells Fargo common stock during the Class Period. For purposes of making this calculation, the Claims Administrator shall determine the difference between

⁵ Pursuant to Section 21D(e)(1) of the Exchange Act, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Wells Fargo common stock during the "90-day look-back period," September 21, 2016 through and including December 19, 2016. The mean (average) closing price for Wells Fargo common stock during this period was \$48.96.

(i) the Claimant's Total Purchase Amount⁶ and (ii) the sum of the Claimant's Total Sales Proceeds⁷ and the Claimant's Holding Value.⁸ If the Claimant's Total Purchase Amount *minus* the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

66. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Wells Fargo common stock during the Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Wells Fargo common stock during the Class Period but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

67. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share or "Distribution Amount" will be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

68. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

69. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant. Those funds will be included in the distribution to other Authorized Claimants.

70. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to the Investor Protection Trust.

71. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Lead Plaintiff's damages expert, Lead Plaintiff's consulting experts, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

72. The Plan of Allocation stated herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.WellsFargoSecuritiesLitigation.com.

⁶ The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes and commissions) for all shares of Wells Fargo common stock purchased during the Class Period.

⁷ The Claims Administrator shall match any sales of Wells Fargo common stock during the Class Period first against the Claimant's opening position in Wells Fargo common stock (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (not deducting any fees, taxes and commissions) for sales of the remaining shares of Wells Fargo common stock sold during the Class Period is the "Total Sales Proceeds."

⁸ The Claims Administrator shall ascribe a "Holding Value" of \$45.83 to each share of Wells Fargo common stock purchased during the Class Period that was still held as of the close of trading on September 20, 2016. The Holding Value is based on the closing price of Wells Fargo common stock on September 21, 2016.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

73. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 20% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses paid or incurred by Plaintiffs' Counsel in an amount not to exceed \$750,000, as well as an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class in an amount not to exceed \$50,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

74. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Wells Fargo Securities Litigation, EXCLUSIONS*, c/o Epiq, P.O. Box 3770, Portland, OR 97208-3770. The exclusion request must be **received no later than November 27, 2018**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name of the person or entity requesting exclusion; (b) state that such person or entity wishes to be excluded from the Settlement Class in *Hefler v. Wells Fargo & Company*, Case No. 3:16-cv-05479-JST; and (c) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

75. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

76. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

77. Wells Fargo has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Wells Fargo.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE
SETTLEMENT? DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

78. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.**

79. The Settlement Hearing will be held on December 18, 2018 at 2:00 p.m., before the Honorable Jon S. Tigar at the United States District Court for the Northern District of California, Courtroom 9 of the Phillip Burton Federal Building & U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

80. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. You may object to the proposed Settlement, the Plan of Allocation or the requested fees and expenses in writing by providing your full name, the basis for your belief that you are a member of the settlement class, the basis of your objection, and your signature. You may not ask the Court to order a larger settlement; the Court can only approve or deny the Settlement. You may also appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.

81. All written objections and supporting papers must: (a) clearly identify the case name and number (*Heftler v. Wells Fargo & Co.*, Case No. 3:16-cv-05479-JST); (b) be submitted to the Court either by mailing them to the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, Box 36060, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California; and (c) be filed or postmarked on or before November 27, 2018.

82. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

83. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

84. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Court by November 27, 2018. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

85. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court by November 27, 2018.

86. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

87. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

88. If you purchased Wells Fargo common stock from February 26, 2014 through September 20, 2016, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Wells Fargo Securities Litigation*, c/o Epiq, P.O. Box 3770, Portland, OR 97208-3770. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.WellsFargoSecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-855-349-6457.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

89. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be reviewed by accessing the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, United States District Court for the Northern District of California, Phillip Burton Federal Building & U.S. Courthouse, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.WellsFargoSecuritiesLitigation.com.

All inquiries concerning this Notice and the Claim Form should be directed to:

Wells Fargo Securities Litigation and/or
c/o Epiq
P.O. Box 3770
Portland, OR 97208-3770
855-349-6457
www.WellsFargoSecuritiesLitigation.com

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DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: September 25, 2018

By Order of the Court
United States District Court
Northern District of California

TABLE A

**Estimated Artificial Inflation in Wells Fargo Common Stock
from February 26, 2014 through and including September 20, 2016**

Date Range	Artificial Inflation Per Share
February 26, 2014 – September 8, 2016	\$3.92
September 9, 2016 – September 11, 2016	\$3.28
September 12, 2016	\$2.68
September 13, 2016 – September 14, 2016	\$1.63
September 15, 2016 – September 20, 2016	\$1.01

TABLE B

**90-Day Look-back Table for Wells Fargo Common Stock
Closing Price and Average Closing Price
September 21, 2016 through December 19, 2016**

Date	Closing Price	Average Closing Price Between September 21, 2016 and Date Shown	Date	Closing Price	Average Closing Price Between September 21, 2016 and Date Shown
9/21/2016	\$45.83	\$45.83	11/4/2016	\$44.60	\$45.22
9/22/2016	\$45.72	\$45.78	11/7/2016	\$45.40	\$45.22
9/23/2016	\$45.74	\$45.76	11/8/2016	\$45.54	\$45.23
9/26/2016	\$44.88	\$45.54	11/9/2016	\$47.99	\$45.31
9/27/2016	\$45.09	\$45.45	11/10/2016	\$51.63	\$45.48
9/28/2016	\$45.31	\$45.43	11/11/2016	\$51.73	\$45.64
9/29/2016	\$44.37	\$45.28	11/14/2016	\$53.22	\$45.84
9/30/2016	\$44.28	\$45.15	11/15/2016	\$52.59	\$46.01
10/3/2016	\$43.83	\$45.01	11/16/2016	\$51.68	\$46.14
10/4/2016	\$43.75	\$44.88	11/17/2016	\$52.49	\$46.30
10/5/2016	\$44.99	\$44.89	11/18/2016	\$52.82	\$46.45
10/6/2016	\$45.18	\$44.91	11/21/2016	\$52.12	\$46.58
10/7/2016	\$45.33	\$44.95	11/22/2016	\$52.22	\$46.70
10/10/2016	\$45.65	\$45.00	11/23/2016	\$52.16	\$46.82
10/11/2016	\$45.45	\$45.03	11/25/2016	\$52.62	\$46.94
10/12/2016	\$45.32	\$45.05	11/28/2016	\$51.58	\$47.04
10/13/2016	\$44.75	\$45.03	11/29/2016	\$51.86	\$47.14
10/14/2016	\$44.71	\$45.01	11/30/2016	\$52.92	\$47.25
10/17/2016	\$44.50	\$44.98	12/1/2016	\$54.34	\$47.39
10/18/2016	\$44.95	\$44.98	12/2/2016	\$53.58	\$47.51
10/19/2016	\$45.26	\$44.99	12/5/2016	\$54.35	\$47.64
10/20/2016	\$44.93	\$44.99	12/6/2016	\$55.55	\$47.79
10/21/2016	\$45.09	\$45.00	12/7/2016	\$57.28	\$47.96
10/24/2016	\$45.52	\$45.02	12/8/2016	\$57.29	\$48.13
10/25/2016	\$45.72	\$45.05	12/9/2016	\$57.14	\$48.28
10/26/2016	\$46.15	\$45.09	12/12/2016	\$55.78	\$48.41
10/27/2016	\$46.41	\$45.14	12/13/2016	\$55.84	\$48.54
10/28/2016	\$46.23	\$45.18	12/14/2016	\$54.70	\$48.64
10/31/2016	\$46.01	\$45.21	12/15/2016	\$55.19	\$48.75
11/1/2016	\$45.99	\$45.23	12/16/2016	\$55.34	\$48.86
11/2/2016	\$45.24	\$45.23	12/19/2016	\$55.22	\$48.96
11/3/2016	\$45.34	\$45.24			