

Wells Fargo: Charting a New Future

On Sept. 27, 2019, Wells Fargo's Board of Directors named Charles W. Scharf as new CEO and president and a member of the Board of Directors, effective Oct. 21. The Board was committed to hiring someone from outside the company to bring new thinking to help move forward from the past and look toward the future. Previously, Scharf served as chairman and CEO of Bank of New York Mellon and CEO of Visa, Inc.

Building on the progress of the last few years, Scharf is now focused on fixing past wrongs, operating with the highest standards of excellence and integrity, and moving the company forward for customers, employees, and communities.

New Leadership Changes

Since Charlie Scharf joined Wells Fargo as CEO, more than 50% of Wells Fargo's Operating Committee has been refreshed, in addition to bringing on strategic hires in risk management, operational excellence, and other key areas across the Company. In addition, Wells Fargo's Board of Directors appointed a new chairman and elected a new member to diversify financial services experience and support transformation.

Oct. 21, 2019, Scharf officially joins Wells Fargo. Soon thereafter, Scharf begins to establish a new slate of company leaders bringing in eight individuals from outside Wells Fargo to help drive the future.

Nov. 7, 2019, *William M. Daley* joins as Vice Chairman of Public Affairs and member of the Operating Committee, reporting to Scharf, and leading Corporate Communications, Government Relations & Public Policy, Sustainability & Corporate Responsibility, and Corporate Philanthropy & Community Relations.

Nov. 20, 2019, Scharf announces the appointment of *Ray Fischer* as the new Head of Cards, Retail and Merchant Services to lead development of innovative products and services enhancing customer and team member experiences.

Dec. 2, 2019, Scharf hires *Christel Kennedy* as Head of Business Continuity and Resiliency to help govern and execute the company's Business Continuity Program and continue to integrate and strengthen the bank's Corporate Security infrastructure.

Dec. 9, 2019, *Scott Powell* joins the company as Chief Operating Officer, a new position created by Scharf to oversee regulatory execution and relations, enterprise shared services, and a range of operational functions across the company, and serve on the company's Operating Committee.

Scharf also announces plans to expand his leadership team to further build the company's operations and controls, including a lead control executive to oversee control personnel across the enterprise, and a strategy and operations planning leader.

Dec. 13, 2019, *Muneera Carr* joins the company as Controller to manage corporate tax, accounting and reporting, as well as financial controls and oversight policies, and processes for the company's business groups and enterprise functions.

Feb. 4, 2020, *Michael Cleary* joins the COO leadership team as Head of Sales Practices Oversight and Management to help ensure Wells Fargo has the sales practices right policies and procedures in place and customers have the necessary support when problems arise.

Feb. 11, 2020, Scharf announces that *Mike Weinbach* will join Wells Fargo as the new Chief Executive Officer of Consumer Lending, which includes many of the products Wells Fargo's customers interact with most closely — from home and auto loans to personal lines of credit. Also, on Feb. 11, *Andrew Heller* joins the company as the new Strategy and Operations Planning Leader, reporting to COO *Scott Powell*.

March 9, 2020, Wells Fargo announces *Chuck Noski* as new Chair of the Wells Fargo Board of Directors following the resignation of Betsy Duke, who had been chair; Jim Quigley also announced his resignation from the Board. Noski is a retired vice chairman and former chief financial officer of Bank of America Corporation.

March 13, 2020, Scharf announces that *Ellen Patterson* will join Wells Fargo as General Counsel, overseeing all legal affairs as a member of the Operating Committee and reporting to the CEO.

April 27, 2020, Scharf announces that *Lester Owen* will join the COO leadership team as Head of Operations, a new role responsible for building integration across Wells Fargo's business operations functions serving on the Operating Committee.

April 28, 2020, *Steven D. Black* is elected to the Wells Fargo Board of Directors.

May 13, 2020, Scharf announces *Nate Hurst* will join the Public Affairs leadership team to oversee Corporate Responsibility, Philanthropy, Community Relations, and Sustainability, and serve as the President of the Wells Fargo Foundation.

May 18, 2020, *Brian Smith* joins the Company as the Head of Government Relations & Public Policy (GRPP), and a member of the Public Affairs Leadership Team, leading Federal and State and Local Government Relations, Public Policy, Political Programs, and External Relations.

May 29, 2020, Scharf announces an enhanced organizational structure to manage risk across the Company, including a new model with five line-of-business Chief Risk Officers (CROs) reporting to Chief Risk Officer Mandy Norton. He also announced that *Kevin Reen* will join Wells Fargo as CRO of Consumer Lending, and *Bill Juliano* as Head of the Operational Risk Management team.

June 17, 2020, Scharf announces that *Barry Sommers* will join Wells Fargo as CEO of Wealth & Investment Management (WIM), overseeing Wells Fargo Advisors, Private Wealth Management — comprised of The Private Bank and Abbot Downing — Wells Fargo Asset Management, and serving as a member of the Operating Committee reporting to the CEO.

June 22, 2020, Scharf announces that *Barri Rafferty* will join Wells Fargo as Head of Corporate Communications and a member of the Public Affairs leadership team.

June 22, 2020, Wells Fargo announces *Michael Lipsitz* as Chief Policy Advisor, leading corporate policy development and implementation as a member of the Public Affairs team.

June 24, 2020, *David Owen* joins the Chief Operating Officer team as Wells Fargo's Chief Administrative Officer to drive execution and operational excellence.

July 20, 2020, Scharf announces that *Ather Williams III* will join Wells Fargo as Head of Strategy, Digital and Innovation, leading innovation priorities to drive transformation, and serving as a member of the Operating Committee reporting to the CEO.

July 21, 2020, Scharf announces that *Mike Santomassimo* will join the company in fall 2020 as Chief Financial Officer, reporting to the CEO and serving on the company's Operating Committee. ■

Organizational Improvements

Jan. 2020, Wells Fargo launches a transformational human resources program, New Experience for the Team (NEXT) HR. Under this multi-year program, the company will invest in leading technology and create policies to create a consistent employee experience globally. This is part of the company's commitment and strategic investment to reduce operational risk and improve the employee experience.

Feb. 11, 2020, Scharf unveils a flatter line of business organizational structure that reorganizes leader responsibilities. This includes creating five principal lines of business to ensure clear authority, accountability, and responsibility. All line of business leaders will report directly to Scharf and will sit on Wells Fargo's Operating Committee.

Scharf also forms the new Corporate Strategy, Digital Platform & Innovation team to enhance the company's focus on planning for the digital future and investing in the customer experience. The company is conducting a search for this new leader role, which will report to the CEO.

Feb. 18, 2020, Scharf unveils an updated Risk Management Framework, a foundational document that includes clear and concise instructions on the approach to risk management across the company. The risk framework also directs employees to important new tools and resources, including mandatory trainings and Risk University – a new internal site for all employees.

March 4, 2020, Scharf announces the company will raise the minimum hourly pay levels for Wells Fargo employees in the majority of U.S. markets within a range of \$15 to \$20 per hour, based on cost of living. The change increases pay for more than 20,000 U.S.-based individuals, and goes into effect by the end of 2020. ■

Culture

Oct. 21, 2019, his first day at the company, Scharf outlines his 10 guiding leadership principles, which underscore Wells Fargo's responsibility to operate with the highest standards of integrity and fulfill commitments to a broad range of stakeholders.

Oct. 29, 2019, Scharf signs onto Business Roundtable's Statement on the Purpose of a Corporation, a clear statement that businesses are responsible to a broad set of constituents including employees and communities and that corporations should act with all stakeholders in mind.

Jan. 21, 2020, Wells Fargo receives top honors for the second consecutive year by the Bloomberg 2020 Gender-Equality Index (GEI), which recognizes the company's commitment to transparency in gender reporting and advancing women's equality. The Human Rights Campaign (HRC) also awards Wells Fargo a 100 percent rating and the designation of being a "Best Place to Work for LGBTQ Equality" for the 17th year in a row.

Feb. 12, 2020, Wells Fargo announces the company will no longer require arbitration for employees in connection with any future sexual harassment claims. Wells Fargo made the decision following internal dialogue and feedback from various stakeholders, including the proponents of a shareholder proposal.

March 6, 2020, Scharf announces accelerated efforts to build a diverse and inclusive workforce. These include a focus on recruiting, hiring, and promoting to increase gender, racial, and ethnic diversity in senior-level roles, a formal development program to build a more diverse and inclusive talent pipeline, and increased accountability for senior leadership to reach diversity and inclusion goals in a consistent manner, among others.

June 16, 2020, Scharf builds on commitment to improve diversity by announcing goals to double Black and African American representation in senior leadership over the next five years, expand diverse representation on the Operating Committee, and institute live anti-racism training for all managers. He also directly tied compensation of Operating Committee members to improvement of diversity and inclusion in their areas of oversight, and announced a new and expanded diversity role reporting to the CEO. ■

Customers

March 3, 2020, Wells Fargo announces plans to introduce two new bank accounts to meet the financial needs of more customers by expanding access to mainstream banking services. This includes a no overdraft fee bank account, a checkless account that limits spending to the amount available to prevent overdrafts or insufficient funds fees, and an account that includes checks and eliminates or limits overdraft fees with a check and caps overdraft or insufficient funds fees at one per month. Both accounts are expected to be available by early 2021.

March 5, 2020, Scharf announces plans to expand credit offerings to Deferred Action for Childhood Arrivals (DACA) recipients with access to products that enhance their opportunity for success in the United States. These include education loans, personal lines and loans, credit cards, auto loans, and small business credit for eligible DACA customers. In addition, Wells Fargo will make mortgage and home equity loans to certain eligible DACA customers except where prohibited by specific investors. Access to these products will be completed by early 2021.

March 10, 2020, Scharf announces that Wells Fargo plans to invest up to \$50 million in African American Minority Depository Institutions (MDIs). This investment is part of Wells Fargo's commitment to African American communities where MDIs, often community-based banks, provide mortgage credit, small business lending, and other banking services. ■