



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

February 27, 2019

Elizabeth A. Ising  
Gibson, Dunn & Crutcher LLP  
shareholderproposals@gibsondunn.com

Re: Wells Fargo & Company  
Incoming letter dated December 21, 2018

Dear Ms. Ising:

This letter is in response to your correspondence dated December 21, 2018 concerning the shareholder proposal (the "Proposal") submitted to Wells Fargo & Company (the "Company") by the AFL-CIO Reserve Fund (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated January 24, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates  
Special Counsel

Enclosure

cc: Brandon J. Rees  
AFL-CIO  
brees@aflcio.org

February 27, 2019

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: Wells Fargo & Company  
Incoming letter dated December 21, 2018

The Proposal urges the board to take the steps necessary to allow the Company's Stakeholder Advisory Council to appoint an employee representative to the Stakeholder Advisory Council.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company's ordinary business operations. In this regard, we note the Proposal concerns employee relations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Jacqueline Kaufman  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE**  
**INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.



# AFL-CIO

AMERICA'S UNIONS

**American Federation  
of Labor and  
Congress of Industrial  
Organizations**

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Vonda McDaniel  
Gwen Mills  
Charles Wowkanec  
Bonnie Castillo  
Gary Jones  
Paul Shearon  
Warren Fairley  
Ernest A. Logan

Via E-Mail

January 24, 2018

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

**Re: Wells Fargo & Company's Request to Exclude a Shareholder  
Proposal Submitted by the AFL-CIO Reserve Fund**

Dear Sir or Madam:

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the AFL-CIO Reserve Fund (the "Fund") submitted a shareholder proposal (the "Proposal") to Wells Fargo & Company (the "Company"). The Proposal asks the Company's Board of Directors to take the steps necessary to allow the Company's Stakeholder Advisory Council to appoint an employee representative to the Stakeholder Advisory Council.

In a letter to the staff of the Division of Corporation Finance (the "Division Staff") dated December 21, 2018 (the "No-Action Request"), the Company stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. The Company argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with the Company's ordinary business operations.

As discussed more fully below, the Company has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Fund respectfully requests that the Company's request for relief be denied.

**The Proposal**

The Proposal states:

"RESOLVED: Shareholders of Wells Fargo & Company (the "Company") urge the Board of Directors to take the steps necessary to allow the Company's Stakeholder Advisory Council to appoint an employee representative to the

Stakeholder Advisory Council. The employee representative shall be a nonsupervisory employee of the Company who the other members of the Stakeholder Advisory Council shall select by majority vote.”

“The Stakeholder Advisory Council shall specify the process for selecting a new employee representative in the event of a vacancy or if the current employee representative ceases to be a nonsupervisory employee of the Company. Compliance with this policy is excused if the Stakeholder Advisory Council is unable to select an employee representative by majority vote or if a nonsupervisory employee is not willing to serve as the employee representative.”

### **Ordinary Business**

Rule 14a-8(i)(7) permits companies to omit any shareholder proposal that “deals with a matter relating to the company’s ordinary business operations.” The Company claims the Proposal is excludable because it relates to the Company’s management of its workforce, including its relationship with employees. As explained below, the Company’s request for relief should be denied because the appointment of a nonsupervisory employee to the Company’s Stakeholder Advisory Council is a significant social policy issue that transcends ordinary business matters.

As the Division Staff stated in Exchange Act Release No. 34-40018 (May 21, 1998), employment-related shareholder proposals that focus on sufficiently significant social policy issues may transcend the day-to-day business matters and therefore be appropriate for a shareholder vote. As noted in Release No. 34-40018, the Division Staff’s definition of significant social policy issues adjusts over time to reflect changing societal views.

In *Pacific Telesis Group* (Feb. 2, 1989), the Division Staff explained that:

“In light of recent developments, including heightened state and federal interest in the social and economic implications of plant closing and relocation decisions, the staff has reconsidered its position with respect to the applicability of Rule 14a-8(c)(7) to proposals dealing generally with the broad social and economic impact of plant closings or relocations.”

To determine whether a proposal involves an ordinary business matter, the Division Staff evaluates the substance of the proposal, not its form.<sup>1</sup> For example, in *E.I. du Pont de Nemours and Company* (March 6, 2000), the Division Staff declined to concur with the exclusion of a shareholder proposal that recommended the creation of an employee advisory committee to study and make recommendations regarding plant closings. The substantive issue of plant closings was the significant social policy in question, not the formation of an employee advisory committee.

The Proposal in question seeks the appointment of a nonsupervisory employee to the Company’s Stakeholder Advisory Council. The Company’s Stakeholder Advisory Council was created

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<sup>1</sup> See Exchange Act Release No. 34-20091, August 16, 1983. (“Henceforth, the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7).”

following the Company's widely publicized "fake-account" scandal involving inappropriate sales practices in the Company's consumer banking division. The Company's stated purpose for forming the Stakeholder Advisory Council was to "provide our Company's senior management and our Board perspectives and insights on current and emerging issues."<sup>2</sup>

The membership of the Stakeholder Advisory Council demonstrates its purpose to discuss significant social policy issues. As explained by Company Board Chair Elizabeth Duke, "The council consists of representatives of stakeholder groups especially important to the company, including groups focused on consumer rights, fair lending, the environment, human rights, civil rights, and governance."<sup>3</sup> In other words, the Company's Stakeholder Advisory Council consists of experts on significant social policy issues, not matters of ordinary business.

The No-Action Request mischaracterizes the Stakeholder Advisory Council's function by describing various business operations that the Stakeholder Advisory Council has discussed. However, these business operations are integral to significant social policy issues affecting the Company. For example, lending and mortgage servicing practices relate to the foreclosure crisis that the Division Staff has repeatedly determined to be a significant social policy issue.<sup>4</sup> The marketing of products to certain consumer segments and the location of branches are related to fair lending, an issue the Division Staff has also determined to be significant social policy issue.<sup>5</sup>

For this reason, the Company's Stakeholder Advisory Council is directly analogous to the shareholder advisory committee proposed in *TRW Inc.* (February 12, 1990). The *TRW Inc.* proposal called for the creation of a "Shareholder's Advisory Committee to advise the Board of Directors on the interests of shareholders." Like the Company's Stakeholder Advisory Council, the committee proposed in *TRW Inc.* did not have a narrowly defined scope of topics that the committee would discuss. Rather, the overall purpose of the committee was decisive in determining that the proposal did not address ordinary business.

The fact that the Proposal's supporting statement references the Company's existing means of employee engagement does not imply that the focus of the Proposal is on employee relations. To the contrary, the Proposal's supporting statement clarifies that the Proposal seeks to promote "independent feedback outside the normal channels of employee communication." The Proposal seeks to provide the opportunity for Company employees to share their views on significant social policy issues that are the subject matter of the Stakeholder Advisory Council. This goal is distinct from the Company's normal channels of communications regarding employee relations.

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<sup>2</sup> "Key Findings from Board Investigation, Action Plan Update, and Our Path Forward," Wells Fargo & Company, April 12, 2017, page 16, available at <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2017-supplemental-proxy-materials.pdf>

<sup>3</sup> "Wells Fargo Launches Stakeholder Advisory Council," Press Release, Wells Fargo & Company, December 21, 2017, available at <https://stories.wf.com/wells-fargo-launches-stakeholder-advisory-council/>.

<sup>4</sup> *Wells Fargo & Company* (March 11, 2013), *Bank of America Corporation* (March 14, 2011 and March 11, 2013), *JPMorgan Chase & Co.* (March 14, 2011), and *Citigroup Inc.* (March 2, 2011).

<sup>5</sup> *Wells Fargo & Company* (February 21, 2006), *Bank of America Corporation* (February 23, 2006), and *Bank One Corporation* (January 19, 1999).

The other examples cited by the Company's No-Action Request are readily distinguishable from the Proposal because they all focus on workforce management, not committees to address significant social policy issues. The proposal in *Bank of America Corp* (February 14, 2012) concerned employee political speech and in *Wal-Mart Stores, Inc.* (March 16, 2006) concerned employees' freedom of association. *Merck & Co.* (January 23, 1997) and *W.R. Grace & Co.* (February 29, 1996) addressed employee engagement in the workplace. The proposals in *Duke Power Co.* (March 4, 1992) and *GTE Corp.* (February 4, 1992) called for the formation of employee advisory councils to discuss employee issues, not significant social policy issues.

Staff Legal Bulletin No. 14I (November 1, 2017) explains that whether the significant policy exception applies depends, in part, on the connection between the significant policy issue and the company's business operations. In this case, the Proposal deals with a significant social policy issue that has a substantial nexus with the Company because the Company has created a Stakeholder Advisory Council to discuss significant social policy matters, and the inclusion of an employee as a stakeholder will promote employee feedback regarding these matters.

Whether other shareholders have "requested the type of action or information sought by the proposal" is one of the criteria that Staff Legal Bulletin No. 14J (October 23, 2018) identifies for analyzing whether a proposal constitutes ordinary business. Notably, the world's largest investment manager has urged companies to recognize their employees as stakeholders. In his 2019 letter to CEOs, BlackRock Chairman and CEO Larry Fink writes that "With unemployment improving across the globe, workers, not just shareholders, can and will have a greater say in defining a company's purpose, priorities, and even the specifics of its business."<sup>6</sup>

## Conclusion

For the forgoing reasons, the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal from its proxy materials under Rule 14a-8(i)(7). Consequently, since the Company has failed to meet its burden of demonstrating that it is entitled to exclude the Proposal, the Proposal should come before the Company's shareholders at the 2019 Annual Meeting. If you have any questions or need additional information, please contact me at (202) 637-5152 or [brees@aficio.org](mailto:brees@aficio.org).

Sincerely,



Brandon J. Rees  
Deputy Director, Corporations and Capital Markets

cc: Elizabeth A. Ising, Gibson, Dunn & Crutcher LLP

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<sup>6</sup> Laurence Fink, "Larry Fink's 2019 Letter to CEOs: Purpose & Profit," BlackRock Inc., 2019, *available at* <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>.

December 21, 2018

VIA E-MAIL

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *Wells Fargo & Company*  
*Shareholder Proposal of AFL-CIO Reserve Fund*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, Wells Fargo & Company (the “Company”), intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Shareholders (collectively, the “2019 Proxy Materials”) a shareholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) submitted by the AFL-CIO Reserve Fund (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2019 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

Office of Chief Counsel  
Division of Corporation Finance  
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## THE PROPOSAL

The Proposal states:

RESOLVED: Shareholders of Wells Fargo & Company (the “Company”) urge the Board of Directors to take the steps necessary to allow the Company’s Stakeholder Advisory Council to appoint an employee representative to the Stakeholder Advisory Council. The employee representative shall be a nonsupervisory employee of the Company who the other members of the Stakeholder Advisory Council shall select by majority vote.

The Stakeholder Advisory Council shall specify the process for selecting a new employee representative in the event of a vacancy or if the current employee representative ceases to be a nonsupervisory employee of the Company. Compliance with this policy is excused if the Stakeholder Advisory Council is unable to select an employee representative by majority vote or if a nonsupervisory employee is not willing to serve as the employee representative.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponent, is attached hereto as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2019 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations.

## BACKGROUND

In December 2017, the Company announced the formation of the Stakeholder Advisory Council (the “Council”) to “provide insight and feedback to the [C]ompany’s Board of Directors and senior management from a stakeholder perspective.”<sup>1</sup> The Council’s members include representatives of various external stakeholder groups, such as those “focused on consumer rights, fair lending, the environment, human rights, civil rights, and governance.” The Council is intended to help the Board of Directors (the “Board”) and management “ensure [that] we are considering social responsibility matters that are important to customers and others in our philanthropy and day-to-day operations.”<sup>2</sup> Examples of matters discussed by the Council include the Company’s lending, mortgage servicing and deposit

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<sup>1</sup> See Wells Fargo Launches Stakeholder Advisory Council, available at <https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-launches-stakeholder-advisory-council>.

<sup>2</sup> See We will become a better, stronger Wells Fargo, available at <https://stories.wf.com/we-will-become-a-better-stronger-wells-fargo/>.

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practices, the development and marketing of retail banking products to certain customer segments, the size and geographic location of the Company's retail branch network, practices for obtaining feedback from team members such as through surveys and town halls, and reporting and disclosure of the Company's business practices.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Addresses Matters Relating To The Company's Ordinary Business Operations.**

The Proposal requests that the Board take the steps necessary to allow the Council to appoint a nonsupervisory employee as a representative to the Council. As described below, the Proposal and its Supporting Statement demonstrate that the Proposal seeks to add an employee to the Council to provide another avenue of employee communication with the Company. In this respect, the Proposal squarely implicates the Company's ordinary business operations as it relates to the Company's management of its workforce, including the Company's relationship with its employees, and the Proposal therefore may be properly excluded pursuant to Rule 14a-8(i)(7).

#### *A. Background*

According to the Commission release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. As relevant here, one of these considerations was that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight."

#### *B. The Proposal Is Excludable Because It Relates To The Company's Management Of Its Workforce, Including Its Relationship With Employees*

The Commission and Staff have long held that a shareholder proposal may be excluded under Rule 14a-8(i)(7) if it, like the Proposal, relates to a company's management of its workforce, including its relationship with employees. The Commission recognized in the 1998 Release that "management of the workforce" is "fundamental to management's ability to run a company on a day-to-day basis." Consistent with the 1998 Release, the Staff has recognized that

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proposals pertaining to the management of a company's workforce are excludable under Rule 14a-8(i)(7). For example, in *Bank of America Corp.* (avail. Feb. 14, 2012), the Staff concurred in the exclusion of a proposal requesting that a company policy be amended to include "protection to engage in free speech outside the job context, and to participate freely in the political process without fear of discrimination or other repercussions on the job" because the proposal related to the company's policies concerning its employees. *See also Wal-Mart Stores, Inc.* (avail. Mar. 16, 2006) (concurring in the exclusion of a proposal requesting an amendment to a company policy barring intimidation of company employees exercising their right to freedom of association); *Merck & Co., Inc.* (avail. Jan. 23, 1997) (concurring in the exclusion of a proposal requesting the adoption of a policy "to encourage employees to express their ideas on all matters of concern affecting the company"); *W.R. Grace & Co.* (avail. Feb. 29, 1996) (concurring in the exclusion of a proposal requesting that the company implement a "high-performance" workplace based on policies of workplace democracy and worker participation).

Further, it is well-established in Staff precedent that managing a company's relationship with its employees, including the decision of whether to form an employee advisory committee that meets with the board, is part of the ordinary business of companies and, thus, proposals related to such matters are excludable under Rule 14a-8(i)(7). For example, in *Duke Power Co.* (avail. Mar. 4, 1992), the Staff concurred in the exclusion of a shareholder proposal requesting the establishment of an employee advisory council to periodically meet with the board to discuss issues of concern related to board decisions and policies, even where the proposal indicated that the council shall not "discuss the [company]'s day-to-day labor relations." In its response, the Staff noted that the proposal related to the company's "employee relations" and thus implicated the company's ordinary business operations. *See also GTE Corp.* (avail. Feb. 4, 1992) (same). Here, the request to appoint an employee to the Council to provide "independent feedback outside of the normal channels of employee communication" is analogous as it has a similar intention: to create an additional avenue for employees to communicate with the Board and management on ordinary business matters. In this regard, the Company's 2018 proxy statement highlights key actions already taken by the Company and Board to build a better, stronger Company. With respect to the Company's employees, the Company proxy statement highlights:<sup>3</sup>

### **Enhancing Our EthicsLine Processes for Team Members to Raise Concerns**

- ✓ Made enhancements to the EthicsLine intake process, including changes based on feedback from our team members, and hired an outside expert to help identify possibilities for additional improvements to make sure that team members have a trusted and confidential way to report ethics concerns

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<sup>3</sup> *See* Wells Fargo and Company proxy statement for its 2018 Annual Meeting of Shareholders, on page 6, "Transforming Wells Fargo—Team Members", available at <https://www.sec.gov/Archives/edgar/data/72971/000119312518082312/d522023ddef14a.htm>.

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## **Listening to Our Team Members**

- ✓ Continuing to seek feedback directly from our team members, including through Town Halls with the CEO and other members of senior management, listening tours held by our executives, Team Moments chats (live chats and Q&A with various senior leaders), increased internal communications and comments posted directly by team members on Teamworks (Wells Fargo's intranet), frequent team member sentiment "pulse" surveys, ethics surveys, and focus groups

The Proposal also is distinguishable from the proposal at issue in *TRW Inc.* (avail. Feb. 12, 1990). In *TRW*, the proposal sought "the establishment of a committee of shareholders to advise the Board of Directors on shareholder interests." In denying no-action relief, the Staff noted "that the proposal involves the formation of a shareholder advisory committee for the purpose of representing the interests of shareholders on matters under consideration by the Board, rather than for the purpose of assisting communication between management and shareholders on matters related to the Company's ordinary business operations." In contrast, the Council was formed to represent the interests of stakeholders (including representatives from the communities where the Company operates), not only shareholders, on matters under consideration by not only the Board, but also management. Moreover, the matters discussed by the Council include, as discussed above, ordinary business matters such as the Company's lending, mortgage servicing and deposit practices, the development and marketing of retail banking products to certain customer segments, the size and geographic location of the Company's retail branch network, practices for obtaining feedback from team members such as through surveys and town halls, and reporting and disclosure of the Company's business practices. Thus, unlike the shareholder advisory committee in *TRW*, the purpose of the Council is not limited to "representing the interests of shareholders on matters under consideration by the Board." Moreover, the Supporting Statement demonstrates that the primary purpose of the Proposal is to use the Council to create an additional channel for employees to communicate with the Board and management:

Our Company has sought to engage with its workforce through a variety of means including town hall meetings, employee surveys, and changes to the Company's ethics hotline. While we commend these efforts, we also believe that engagement with nonsupervisory employees as stakeholders will benefit the Company by providing independent feedback outside of the normal channels of employee communication.

Accordingly, as the Proposal addresses ordinary business matters because it relates to the Company's management of its workforce, including its relationship with employees, the Proposal may be excluded under Rule 14a-8(i)(7).

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**CONCLUSION**

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Mary E. Schaffner, Senior Vice President and Senior Company Counsel, at (612) 667-2367.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Mary E. Schaffner, Senior Vice President and Senior Company Counsel  
Willie J. White, Vice President and Senior Counsel  
Brandon J. Rees, AFL-CIO Reserve Fund

**EXHIBIT A**



# AFL-CIO

AMERICA'S UNIONS

**American Federation  
of Labor and  
Congress of Industrial  
Organizations**

815 16th St., NW  
Washington, DC 20006  
202-637-5000  
aflcio.org

November 13, 2018

Anthony R. Augliera, Corporate Secretary  
Wells Fargo & Company  
MAC#D1053-300  
301 South College Street, 30<sup>th</sup> Floor  
Charlotte, North Carolina 28202

**EXECUTIVE COUNCIL**

**RICHARD L. TRUMKA**  
PRESIDENT

**ELIZABETH H. SHULER**  
SECRETARY-TREASURER

**TEFERE A. GEBRE**  
EXECUTIVE VICE PRESIDENT

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Harold Schaitberger  
Clyde Rivers  
Cecil Roberts  
Leo W. Gerard  
Fred Redmond  
Matthew Loeb  
Randi Weingarten  
Fredric V. Rolando  
D. Michael Langford  
Baldemar Velasquez  
James Boland  
Bruce R. Smith  
Lee A. Saunders  
Teny O'Sullivan  
Lawrence J. Hanley  
Loretta Johnson  
James Callahan  
DeMaurice Smith  
Sean McGarvey  
J. David Cox Sr.  
David Durkee  
D. Taylor  
Kenneth Rigmaiden  
Stuart Appelbaum  
Harold Daggett  
Bhairavi Desai  
Paul Rinaldi  
Mark Diamondstein  
Cindy Estrada  
Capt. Timothy Canoll  
Sara Nelson  
Lori Pelletier  
Marc Perrone  
Eric Dean  
Joseph Sellers Jr.  
Christopher Shelton  
Lonnie R. Stephenson  
Richard Lanigan  
Robert Martinez  
Gabrielle Carteris  
Mark McManus  
Elissa McBride  
John Samuelson  
George E. McCubbin III  
Vonda McDaniel  
Gwen Mills  
Charles Wowkanach  
Bonnie Castillo  
Gary Jones  
Paul Shearon  
Warren Fairley

Dear Mr. Augliera:

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2018 proxy statement of Wells Fargo & Company (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2019 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 2786 shares of voting common stock (the "Shares") of the Company. The Fund has held at least \$2,000 in market value of the Shares for over one year, and the Fund intends to hold at least \$2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is enclosed.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to me at 202-637-5152 or [brees@aflcio.org](mailto:brees@aflcio.org).

Sincerely,

Brandon J. Rees, Deputy Director  
Office of Investment

Attachment

BJR/sdw  
opeiu L2, afl-cio

November 13, 2018

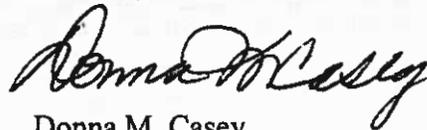
Anthony R. Augliera, Corporate Secretary  
Wells Fargo Company  
MAC#D1053-300  
301 South College Street, 30<sup>th</sup> Floor  
Charlotte, North Carolina 28202

Dear Mr. Augliera:

AmalgamTrust, a division of Amalgamated Bank of Chicago, is the record holder of 2786 shares of common stock (the "Shares") of Wells Fargo Company beneficially owned by the AFL-CIO Reserve Fund as of November 13, 2018. The AFL-CIO Reserve Fund has continuously held at least \$2,000 in market value of the Shares for over one year as of November 13, 2018. The Shares are held by AmalgamTrust at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3220.

Sincerely,



Donna M. Casey  
Vice President

cc: Brandon Rees  
Deputy Director, AFL-CIO Office of Investment

**RESOLVED:** Shareholders of Wells Fargo & Company (the “Company”) urge the Board of Directors to take the steps necessary to allow the Company’s Stakeholder Advisory Council to appoint an employee representative to the Stakeholder Advisory Council. The employee representative shall be a nonsupervisory employee of the Company who the other members of the Stakeholder Advisory Council shall select by majority vote.

The Stakeholder Advisory Council shall specify the process for selecting a new employee representative in the event of a vacancy or if the current employee representative ceases to be a nonsupervisory employee of the Company. Compliance with this policy is excused if the Stakeholder Advisory Council is unable to select an employee representative by majority vote or if a nonsupervisory employee is not willing to serve as the employee representative.

**SUPPORTING STATEMENT:**

After a series of widely publicized scandals affecting the Company’s customers, the Company created a Stakeholder Advisory Council to provide insight and feedback to the Company’s Board of Directors and senior management. (“Wells Fargo Launches Stakeholder Advisory Council,” Press Release, Wells Fargo & Co., December 21, 2017, available at <https://stories.wf.com/wells-fargo-launches-stakeholder-advisory-council/>).

According to Company CEO Tim Sloan, “The council’s insight and input will be instrumental in our efforts to maximize our ability to make a positive impact on customers and communities as we build a better Wells Fargo” (*Id.*). We strongly believe that the Company’s consideration of the views held by all stakeholders will be critical for the Company to successfully repair its reputation and restore trust with its customers.

As originally created by the Company, the members of the Stakeholder Advisory Council include representatives of stakeholder groups focused on consumer rights, fair lending, the environment, human rights, civil rights, and governance. However, the Company did not appoint a representative of its nonsupervisory employees to the Stakeholder Advisory Council. This proposal seeks to address that omission.

Our Company has sought to engage with its workforce through a variety of means including town hall meetings, employee surveys, and changes to the Company’s ethics hotline. While we commend these efforts, we also believe that engagement with nonsupervisory employees as stakeholders will benefit the Company by providing independent feedback outside of the normal channels of employee communication.

In our view, appointment of an employee representative to the Stakeholder Advisory Committee will demonstrate the Company’s commitment to its employees as stakeholders. To ensure that the employee representative provides a perspective that is independent of management, this proposal calls for the other members of the Stakeholder Advisory Council to select the employee representative from the Company’s nonsupervisory employees.

For these reasons, we urge you to vote “FOR” this proposal.