



DIVISION OF  
CORPORATION FINANCE

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

January 2, 2026

Lori Zyskowski  
Gibson, Dunn & Crutcher LLP

Re: Wells Fargo & Company (the "Company")  
Incoming Letter dated December 26, 2025

Dear Lori Zyskowski:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by The Accountability Board, Inc. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Company represents that it has a reasonable basis to exclude the Proposal. Based solely on that representation, we will not object if the Company excludes the Proposal from its proxy materials.

Copies of all of the correspondence on which this response is based will be made available on our website.

Sincerely,

Division of Corporation Finance  
Office of Chief Counsel

cc: Matt Prescott  
The Accountability Board, Inc.

December 26, 2025

**VIA ONLINE PORTAL SUBMISSION**

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

Re: *Wells Fargo & Company*  
*Shareholder Proposal of The Accountability Board, Inc.*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter notifies the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that our client, Wells Fargo & Company (the “Company”), intends to omit from its proxy statement and form of proxy for its 2026 Annual Meeting of Shareholders (collectively, the “2026 Proxy Materials”) a shareholder proposal and statement in support thereof (collectively, the “Duplicate Proposal”) received from The Accountability Board, Inc. (the “Proponent”).

Pursuant to Rule 14a-8(j) and the Statement Regarding the Division of Corporation Finance’s Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season issued by the Staff on November 17, 2025 (the “Staff Statement”), we hereby request that the Staff confirm that it will not object if the Company omits the Duplicate Proposal from the 2026 Proxy Materials. In this regard, the Company represents that it has a reasonable basis to exclude the Duplicate Proposal under Rule 14a-8, prior published guidance, and/or judicial decisions, pursuant to Rule 14a-8(i)(11). As discussed in greater detail in Exhibit A, which is incorporated herein by reference, the Duplicate Proposal may be excluded from the 2026 Proxy Materials because the Duplicate Proposal substantially duplicates another proposal previously submitted to the Company that the Company intends to include in the 2026 Proxy Materials. A copy of the Duplicate Proposal is attached to this letter as Exhibit B and incorporated herein by reference.

Pursuant to Rule 14a-8(j), we have, on behalf of the Company:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2026 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”) require shareholder proponents to provide companies a copy of any correspondence that they

# GIBSON DUNN

Office of Chief Counsel  
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submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Duplicate Proposal, it should provide a copy of that correspondence concurrently to the undersigned on behalf of the Company.

We are available to provide the Staff with any additional information and answer any questions regarding this matter. If we can be of any further assistance in this matter, please do not hesitate to call me at (212) 351-2309 or Amanda Simmons, Assistant General Counsel, Wells Fargo Legal Department, at (212) 214-7701. Correspondence regarding this matter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com).

Sincerely,



Lori Zyskowski

Enclosures

cc: Janet McGinness, Corporate Secretary, Wells Fargo Legal Department  
Amanda Simmons, Assistant General Counsel, Wells Fargo Legal Department  
Matt Prescott, The Accountability Board, Inc.  
Matt Penzer, The Accountability Board, Inc.

## EXHIBIT A

### BASIS FOR WELLS FARGO & COMPANY EXCLUDING THE PROPOSAL FOR FAILURE TO SATISFY RULE 14a-8

#### ANALYSIS

#### **The Duplicate Proposal Is Excludable Under Rule 14a-8(i)(11) Because It Substantially Duplicates An Earlier Submitted Proposal That The Company Intends To Include In Its 2026 Proxy Materials**

##### *A. Background*

The resolved clause of the Duplicate Proposal states:

**RESOLVED:** Shareholders ask the Board to take the necessary steps to adopt a policy, and amend its governance documents accordingly, requiring that the Board Chair and CEO roles be held by different people.

On September 15, 2025, the Company received a shareholder proposal (the “Prior Proposal”, and together with the Duplicate Proposal, the “Proposals”) and statement in support thereof. Like the Duplicate Proposal, the Prior Proposal requests that the Company adopt a policy requiring the roles of the Chairman (the “Chair”) of the Board of Directors of the Company (the “Board”) and the Chief Executive Officer (“CEO”) be held by separate people. A copy of the Prior Proposal and statement in support thereof, as well as related correspondence, are included with this letter as Exhibit C.

The Prior Proposal states:

##### **RESOLVED:**

Shareholders request the Board of Directors (“Board”) of Wells Fargo & Company (“Wells Fargo” or “Company”) adopt as policy, and amend the governing documents as necessary, to require hereafter that that [sic] two separate people hold the office of Chairman of the Board (“Chair”) and the office of the Chief Executive Officer (“CEO”) as follows:

**Selection of the Chair:** The Board requires the separation of the offices of the Chair and the CEO.

Whenever possible, the Chair shall be an Independent Director.

The Board may select a temporary Chair who is not an Independent Director to serve while the Board seeks an Independent Chair.

The Chair should not be a former CEO of the company.

Selection of the Chair shall be consistent with applicable law and existing contracts.

The Company received a proposal from the Proponent on October 7, 2025, and subsequently received the Duplicate Proposal on October 8, 2025 as a revised submission, 23 days after the Company received the Prior Proposal. See [Exhibit B](#) and [Exhibit C](#). The Company intends to include the Prior Proposal in its 2026 Proxy Materials.

As the Duplicate Proposal substantially duplicates the Prior Proposal, if the Company were to include both Proposals in its 2026 Proxy Materials, there is a risk that the Company's shareholders would be confused when asked to vote on both Proposals. In such a circumstance, shareholders could assume incorrectly that there are substantive differences between the Proposals and the requested actions. In addition, if the voting outcome on the Proposals differed, the shareholder vote would not provide the Company with clear guidance on what specific governance changes shareholders want the Company to pursue.

## B. Analysis

Rule 14a-8(i)(11) allows exclusion of a shareholder proposal if it “substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company’s proxy materials for the same meeting.” The Commission has stated that “the purpose of [Rule 14a-8(i)(11)] is to eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other.” Exchange Act Release No. 12999 (Nov. 22, 1976). Consistent with this purpose, the Staff has long permitted exclusion of the proposal that a company receives second, unless the first proposal is otherwise excludable. See, e.g., *Great Lakes Chemical Corp.* (avail. Mar. 2, 1998); *Pacific Gas and Electric Co.* (avail. Jan. 6, 1994). The Staff has also found a second proposal to be substantially duplicative of an earlier proposal despite differences in terms or breadth and despite the proposals requesting different actions. See, e.g., *The Walt Disney Co.* (avail. Jan. 31, 2024) (concurring that a proposal requesting the board consider listing on the company’s website any recipient of at least \$10,000 of direct contributions was substantially duplicative of a proposal requesting a \$5,000 threshold amount and requiring more specific disclosure of the contributions); *Amazon.com, Inc.* (avail. Apr. 6, 2022) (concurring that a proposal requesting the board commission an independent third-party audit on workplace health and safety, evaluating productivity quotas, surveillance practices, and the effects of these practices on injury rates and turnover was substantially duplicative of a proposal requesting the board commission an independent audit and report of the working conditions and treatment that warehouse workers face). The Staff has traditionally referred to Rule 14a-8(i)(11)’s substantial duplication standard as assessing whether the later proposal presents the same “principal thrust” or “principal focus” as a previously submitted proposal. See *Pacific Gas & Electric Co.* (avail. Feb. 1, 1993).

The Prior Proposal and the Duplicate Proposal (collectively, the “Proposals”) share the same principal thrust or focus. In this regard, both Proposals seek adoption of a policy requiring that the roles of Chair and CEO be held by separate people. The following chart (emphases added) demonstrates that the Proposals address the same subject matter and share the same objective of having the Company adopt such a policy:

<b>Duplicate Proposal</b>	<b>Prior Proposal</b>
<i>The resolved clauses of the Duplicate Proposal and Prior Proposal both seek adoption of a policy requiring that the roles of Chair and CEO be held by separate people.</i>	
<p>“RESOLVED: Shareholders <b>ask the Board to</b> take the necessary steps to <b>adopt a policy</b>, and amend its governance documents accordingly, <b>requiring that the Board Chair and CEO roles be held by different people.</b>”</p>	<p>“RESOLVED: Shareholders <b>request the Board of Directors</b> (“Board”) of Wells Fargo &amp; Company (“Wells Fargo” or “Company”) <b>adopt as policy</b>, and amend the governing documents as necessary, to <b>require hereafter that that [sic] two separate people hold the office of Chairman of the Board (“Chair”) and the office of the Chief Executive Officer (“CEO”).</b> ...”</p>
<i>Both Proposals request amendments to the Company’s governing documents, as necessary, to implement the requested policy.</i>	
<p>“RESOLVED: Shareholders ask the Board to <b>take the necessary steps to adopt a policy, and amend its governance documents accordingly</b>, requiring that the Board Chair and CEO roles be held by different people.”</p>	<p>“RESOLVED: Shareholders request the Board of Directors (“Board”) of Wells Fargo &amp; Company (“Wells Fargo” or “Company”) <b>adopt as policy, and amend the governing documents as necessary</b>, to require hereafter that that [sic] two separate people hold the office of Chairman of the Board (“Chair”) and the office of the Chief Executive Officer (“CEO”) as follows: . . . .”</p>
<i>Both supporting statements present a distinction between the Chair and CEO roles and discuss concerns relating to combining the roles.</i>	
<p>“CEO and Chair separation fosters <b>greater accountability</b> and <b>allows the chair to focus on the critical issues of governance and risk oversight while the CEO focuses on the day-to-day business.</b>”</p>	<p>“Search firm Calibre One argues that ‘... <b>When one executive holds both titles [CEO and Chair], it can lead to ambiguity in oversight responsibilities. By contrast, separating the roles introduces a clearer distinction.</b>”</p>
<i>Both supporting statements reference the percentage of S&amp;P 500 companies which separate the roles of Chair and CEO to support their request for a policy requiring that the roles of Chair and CEO be held by separate people.</i>	
<p>“And currently, <b>60% of S&amp;P 500 Boards separate the positions.</b>”</p>	<p>“According to the 2024 Spencer Stuart Board Index survey, <b>60 percent of S&amp;P 500 companies had separate CEOs and Board Chairs</b> as of 2024, up from 47 percent in 2014.”</p>

The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(11) of substantially duplicative proposals specifically relating to the separation of the roles of board chair and chief executive officer of a company. For example, in *Mondelēz International, Inc.* (avail. Mar. 22, 2024), the Staff concurred with exclusion of a proposal requesting that the board “adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO” under Rule 14a-8(i)(11) where the prior proposal requested that the company’s board “adopt a policy, and amend the bylaws as necessary, to require the [b]oard [c]hair to be an independent director.” See also *Bank of America Corp. (Steiner)* (avail. Jan. 23, 2023) (concurring with the exclusion of a proposal requesting that the board “adopt an enduring policy, and amend the governing documents as necessary in order that 2 separate people hold the office of the Chairman and the office of the CEO” under Rule 14a-8(i)(11) where the prior proposal requested that the company’s board “adopt as policy, and amend the governing documents as necessary, to require . . . that two separate people hold the office of the Chairman and the office of the CEO”). As described above, the principal thrust of the Proposals is the adoption of a policy requiring the roles of Chair and CEO be held by separate people. Accordingly, like the precedent cited above specifically related to duplicative proposals relating to the separation of the roles of board chair and chief executive officer, even though the Proposals have certain inconsequential differences in their supporting statements, the Duplicate Proposal substantially duplicates the Prior Proposal and is excludable pursuant to Rule 14a-8(i)(11).

Additionally, differences in supporting statements do not prevent exclusion under Rule 14a-8(i)(11) when proposals share the same principal thrust or focus, as demonstrated by repeated Staff concurrences under Rule 14a-8(i)(11). For example, in *Mondelēz*, the Staff concurred with the exclusion of a duplicate proposal under Rule 14a-8(i)(11) even though the supporting statements of both proposals offered different rationales in support of their requests—one explaining that an independent lead director does not resolve the underlying concern and the other citing corporate governance studies—because both focused on the risks of combining the Chair and CEO roles.

The same is true here. As noted above, while the resolved clauses of the Proposals have minor differences in phrasing, they both specifically request that the Board adopt a policy requiring that separate people hold the roles of Chair and CEO, making clear that the Proposals share the same principal thrust or focus. Additionally, the supporting statements are also very similar—both Proposals address the different roles that the Chair and CEO fulfill and express the proponents’ concerns relating to combining the roles of the Chair and CEO. Although only the Prior Proposal references the Chair being independent, it does not impose an independence requirement; it merely states that “[w]henver possible, the Chair shall be an Independent Director” (emphasis added). This reference does not create a substantive distinction and does not alter the proposal’s principal thrust or focus.

Furthermore, the Staff has concurred that proposals are excludable under Rule 14a-8(i)(11) when an earlier received proposal incorporates or encompasses the request of a later received proposal. For example, in *The Home Depot, Inc.* (avail. Mar. 22, 2018), the later received proposal requested a cost-benefit analysis of the political and electioneering contributions for the most recent election cycle, while an earlier received proposal requested a more general report on the company’s political contributions and the policies and procedures for making such contributions. The company argued that the later received proposal “necessarily [would] involve

some degree of disclosure of such contributions as well as the [c]ompany's policies and procedures for making political contributions and expenditures, both of which are covered by the [earlier received] proposal." The Staff concurred with the exclusion of the later received proposal under Rule 14a-8(i)(11). Similarly, in *Exxon Mobil Corp.* (avail. Mar. 13, 2020), the later received proposal requested a report on the alignment of the company's lobbying activities with the Paris Climate Agreement, while an earlier received proposal requested a report on the company's policy and procedures governing lobbying generally. The company argued that the earlier received proposal "subsume[d] and incorporate[d] the [later received proposal], which address[ed] a subset of issues." The Staff concurred with the exclusion of the later received proposal under Rule 14a-8(i)(11). As in *Home Depot* and *Exxon Mobil*, by addressing the Prior Proposal, the Company would necessarily cover the request of the Duplicate Proposal, since both request the adoption of a policy requiring the roles of Chair and CEO be held by separate people, even if the Prior Proposal also references the Chair being independent "[w]henver possible."

For the reasons discussed above, the principal thrust or focus of the Proposals is the same. Moreover, the Company intends to include the Prior Proposal in its 2026 Proxy Materials. Accordingly, the Company intends to exclude the Duplicate Proposal under Rule 14a-8(i)(11).

**EXHIBIT B**

**From:** Matt Prescott [REDACTED]  
**Sent:** Wednesday, October 8, 2025 4:11 PM  
**To:** McGinness, Janet (Legal) [REDACTED]  
**Cc:** Office of the Corporate Secretary <[officeofthecorporatesecretary@wellsfargo.com](mailto:officeofthecorporatesecretary@wellsfargo.com)>; Josh Balk [REDACTED]; Simmons, Amanda R (Legal) [REDACTED]  
**Subject:** Re: Wells Fargo shareholder proposal submission

Hi Janet (and Amanda),

Attached is a revised shareholder proposal submitted by The Accountability Board, Inc. (TAB) for inclusion in the proxy statement for the company's next annual meeting. For the sake of clarity, this revised proposal serves as a *replacement* of the initially submitted proposal. See Staff Legal Bulletin No. 14F, Section D.1. (Oct. 18, 2011).

Thanks, and can you please confirm receipt?

Best,  
Matt Prescott

**From:** Simmons, Amanda R (Legal) [REDACTED]  
**Date:** Tuesday, October 7, 2025 at 8:42 AM  
**To:** Matt Prescott [REDACTED], McGinness, Janet (Legal) [REDACTED]  
**Cc:** Office of the Corporate Secretary <[officeofthecorporatesecretary@wellsfargo.com](mailto:officeofthecorporatesecretary@wellsfargo.com)>, Josh Balk [REDACTED]  
**Subject:** RE: Wells Fargo shareholder proposal submission

Confirming receipt, thank you.

**From:** Matt Prescott [REDACTED]  
**Sent:** Tuesday, October 7, 2025 8:35 AM  
**To:** McGinness, Janet (Legal) [REDACTED]  
**Cc:** Simmons, Amanda R (Legal) [REDACTED]; Office of the Corporate Secretary <[officeofthecorporatesecretary@wellsfargo.com](mailto:officeofthecorporatesecretary@wellsfargo.com)>; Josh Balk [REDACTED]  
**Subject:** Wells Fargo shareholder proposal submission

Hi Janet,

Attached is a shareholder proposal submitted for the next proxy statement. Thanks, and could you please confirm receipt of this submission?

Best,  
Matt Prescott

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**Matt Prescott | President & Chief Operating Officer**

The Accountability Board

[REDACTED]

[accountabilityboard.org](http://accountabilityboard.org)

[REDACTED]

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Thank you for your cooperation.

**RESOLVED:** Shareholders ask the Board to take the necessary steps to adopt a policy, and amend its governance documents accordingly, requiring that the Board Chair and CEO roles be held by different people.

**DEAR FELLOW SHAREHOLDERS:**

In 2016, Wells Fargo suffered a major scandal when it was revealed that millions of accounts had been opened without customers' knowledge or consent. The company was fined billions of dollars and faced criminal and civil investigations.

The Board responded with a "comprehensive action plan" to rebuild trust. Among the touted changes was an amended bylaw requiring separation and independence of the Chair from management. In fact, emphasizing that its "action plan starts at the top," its 2017 proxy statement specifically highlighted its election of a Chair who was separate and independent from the CEO role.

Then, affirming the importance of this change, a February 2018 company press release touted this move as a *significant improvement* to both its governance and risk management,<sup>1</sup> the company's 2018 proxy statement listed it as one of its governance "enhancements," the 2020 proxy statement included it as one of its Board composition and leadership "highlights," and both the 2021 and 2022 proxy statements said the Board believed its structure with "separate CEO and independent Chairman roles has the effect of enhancing our Board's risk oversight."

Nevertheless, in July 2025, the company did a sudden about-face, amending its bylaws so as to again allow for the Chair and CEO roles to be combined, then announcing plans for Charlie Scharf to simultaneously hold both positions.

**In its announcement, Wells Fargo touted that over the last several years, it had executed "a multi-faceted transformation under extremely difficult circumstances."<sup>2</sup> But those difficult circumstances arose from problems that occurred under a combined CEO/Chair, while the *transformation* was achieved under a structure that separated the roles.**

Indeed, CEO and Chair separation fosters greater accountability and allows the chair to focus on the critical issues of governance and risk oversight while the CEO focuses on the day-to-day business. And currently, 60% of S&P 500 Boards separate the positions. We believe the added accountability and oversight that accompanies separation is important at any company, but especially at those like Wells Fargo, which have faced such severe scandals.

So, although shareholders certainly have cause to celebrate our recovery, the Board's reversal of a *key policy* from the very rehabilitation plan that turned things around seems short-sighted, to say the least. The company's policy separating the Chair and CEO roles was repeatedly touted as a crucial enhancement to its return to success, and such a policy should be restored.

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<sup>1</sup> <https://newsroom.wf.com/news-releases/news-details/2018/Wells-Fargo-Commits-to-Satisfying-Consent-Order-With-Federal-Reserve/default.aspx>

<sup>2</sup> <https://newsroom.wf.com/news-releases/news-details/2025/Wells-Fargo-Board-of-Directors-Announces-Intention-to-Name-CEO-Charlie-Scharf-Chairman/default.aspx>

**EXHIBIT C**

**From:** Luke Perlot [REDACTED]  
**Sent:** Monday, September 15, 2025 2:18 PM  
**To:** Bailey, Emma (Legal) [REDACTED]; Office of the Corporate Secretary  
<[officeofthecorporatesecretary@wellsfargo.com](mailto:officeofthecorporatesecretary@wellsfargo.com)>  
**Cc:** Paul Chesser [REDACTED]  
**Subject:** 2026 Shareholder Proposal

Dear Ms. Bailey/Corporate Secretary:

Attached please find cover letter with enclosed shareholder proposal for consideration at Wells Fargo & Company's 2026 annual shareholder meeting. If you could confirm receipt of this, I would appreciate it.

Best regards,  
Luke

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Luke Perlot  
Associate Director, Corporate Integrity Project  
National Legal and Policy Center  
nlpc.org  
[REDACTED]

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If you are not the intended recipient, you must not use, copy, disclose, or take any action based on this message or any information herein. If you have received this message in error, please advise the sender immediately by reply e-mail and delete this message.  
Thank you for your cooperation.



September 15, 2025

Ms. Emma Bailey  
Deputy General Counsel & Corporate Secretary  
Wells Fargo & Company  
MAC# J0193-610  
30 Hudson Yards  
New York, NY 10001

VIA UPS & EMAIL: [REDACTED]  
[officeofthecorporatesecretary@wellsfargo.com](mailto:officeofthecorporatesecretary@wellsfargo.com)

Dear Ms. Bailey/Corporate Secretary:

I hereby submit the enclosed shareholder proposal (“Proposal”) for inclusion in Wells Fargo & Company’s (“Company”) proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission’s proxy regulations.

National Legal and Policy Center (NLPC) is the beneficial owner of 101 shares of the Company’s common stock with a value exceeding \$2,000, which shares have been held continuously for more than three years prior to this date of submission. NLPC intends to hold the shares through the date of the Company’s next annual meeting of shareholders. A proof of ownership letter is forthcoming and will be delivered to the Company.

The Proposal is submitted in order to promote shareholder value by requesting the Board of Directors to adopt a policy for an Independent Chair in corporate governance. Either an NLPC representative or I will present the Proposal for consideration at the annual meeting of shareholders.

I and/or an NLPC representative can meet with the Company via teleconference to discuss the proposal on October 7 at 1 pm or October 8 at 1 pm, in the Eastern Time Zone (U.S.). While we can potentially accommodate other dates and times that would align with Company representatives’ schedules, NLPC will *not* be able to meet with the Company outside the time window of 10 to 30 days from the date of the Proposal’s submission, as specified by SEC guidelines. I can be reached at [REDACTED] or at [REDACTED].

Nat’l Headquarters: 107 Park Washington Court, Falls Church, Virginia 22046

Phone: [REDACTED] Email: [REDACTED]

If you have any questions, please contact me at the above phone number. Copies of correspondence or a request for a “no-action” letter should be forwarded to me via email or sent to my attention at [REDACTED].

Sincerely,

A handwritten signature in cursive script, appearing to read "L Perlot".

Luke Perlot  
Associate Director  
Corporate Integrity Project

Enclosure: “Request for Board of Directors to Adopt Policy for an Independent Chair” proposal

## Request for Board of Directors to Adopt Policy for an Independent Chair

### **RESOLVED:**

Shareholders request the Board of Directors (“Board”) of Wells Fargo & Company (“Wells Fargo” or “Company”) adopt as policy, and amend the governing documents as necessary, to require hereafter that that two separate people hold the office of Chairman of the Board (“Chair”) and the office of the Chief Executive Officer (“CEO”) as follows:

**Selection of the Chair:** The Board requires the separation of the offices of the Chair and the CEO.

Whenever possible, the Chair shall be an Independent Director.

The Board may select a temporary Chair who is not an Independent Director to serve while the Board seeks an Independent Chair.

The Chair should not be a former CEO of the company.

Selection of the Chair shall be consistent with applicable law and existing contracts.

### **SUPPORTING STATEMENT:**

The CEO of Wells Fargo is expected to become Board Chair.<sup>1</sup> These roles – each with separate, different responsibilities that are critical to the health of a successful corporation – are greatly diminished when held by a singular company official, weakening its governance structure.

Expert perspectives substantiate our position:

- According to the 2024 Spencer Stuart Board Index survey, 60 percent of S&P 500 companies had separate CEOs and Board Chairs as of 2024, up from 47 percent in 2014. Meanwhile, 39% of companies had an independent chair as of 2024, up from 28% in 2014.<sup>2</sup>
- Proxy adviser Institutional Shareholder Services contends that “the chair of the board should ideally be an independent director,” and generally encourages investors to vote for “shareholder proposals requiring that the board chair position be filled by an independent director.”<sup>3</sup>
- Proxy adviser Glass Lewis wrote in 2024, “it can become difficult for a board to fulfill its role of overseer and policy setter when a CEO/chair controls the agenda and the boardroom discussion. Such control can allow a CEO to have an entrenched position, leading to longer-than-optimal terms, fewer checks on

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<sup>1</sup> <https://www.wsj.com/finance/banking/wells-fargo-to-name-ceo-charlie-scharf-chairman-b04ad2d3>

<sup>2</sup> [https://www.spencerstuart.com/-/media/2024/09/ssbi2024/2024\\_us\\_spencer\\_stuart\\_board\\_index.pdf](https://www.spencerstuart.com/-/media/2024/09/ssbi2024/2024_us_spencer_stuart_board_index.pdf)

<sup>3</sup> [https://www.issgovernance.com/file/policy/active/americas/US\\_Voting-Guidelines.pdf](https://www.issgovernance.com/file/policy/active/americas/US_Voting-Guidelines.pdf)

management, less scrutiny of the business operation, and limitations on independent, shareholder-focused goal-setting by the board.”<sup>4</sup>

- According to the CFA Institute Research and Policy Center, “Combining [Chair and CEO] positions may give undue influence to executive board members and impair the ability and willingness of board members to exercise their independent judgment ... Many jurisdictions consider the separation of the chair and CEO positions a best practice because it ensures that the board agenda is set by an independent voice uninfluenced by the CEO.”<sup>5</sup>
- Search firm Calibre One argues that “governance best practices increasingly recommend separating the roles of CEO from the Chair of the Board, especially in times of leadership transition or strategic inflection ... When one executive holds both titles, it can lead to ambiguity in oversight responsibilities. By contrast, separating the roles introduces a clearer distinction.”<sup>6</sup>

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<https://resources.glasslewis.com/hubfs/2024%20Guidelines/2024%20US%20Benchmark%20Policy%20Guidelines.pdf>

<sup>5</sup> <https://rpc.cfainstitute.org/-/media/documents/article/position-paper/corporate-governance-of-listed-companies-3rd-edition.pdf>

<sup>6</sup> <https://www.calibreone.com/a-thoughtful-look-at-ceo-chair-separation-what-boards-should-consider-in-2025/>