



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **SEE ATTACHED**

Multiple horizontal lines for listing applicable Internal Revenue Code sections and subsections.

**18** Can any resulting loss be recognized? ▶ **SEE ATTACHED.**

Multiple horizontal lines for providing information regarding loss recognition.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **SEE ATTACHED.**

Multiple horizontal lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶ *James Horton* Date ▶ *5/23/2017*

Print your name ▶ **James Horton** Title ▶ **SVP & Corporate Tax Director**

|                               |                            |                      |      |   |      |
|-------------------------------|----------------------------|----------------------|------|---|------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
|                               | Firm's name ▶              | Firm's EIN ▶         |      |   |      |
|                               | Firm's address ▶           | Phone no.            |      |   |      |

**WELLS FARGO & COMPANY (“WFC”)  
Attachment to IRS Form 8937  
Date of Organizational Action: May 5, 2017  
Adjustments to the Exercise Price for Global Warrants  
CUSIP Number 949746119; Symbol: WFC WS**

**DISCLOSURE REGARDING TAX ADVICE:** The information contained herein does not constitute tax advice and does not purport to be complete or describe the consequences that may apply to all categories of holders of the Global Warrants. Each holder is advised to consult his or her tax advisor regarding the tax treatment of the warrant adjustments.

Further information regarding the warrant adjustments, including prior adjustments, can be found in the “Warrant Notice” on the Wells Fargo & Company Investor Relations webpage, which is available under the “Related Information” topics located at:  
<https://www.wellsfargo.com/about/investor-relations/stock-price-and-dividends/>

**Part II Box 14**

Pursuant to Section 12(B) of the Warrant Agreement dated May 20, 2010, certain distributions to the Common Stock holders of WFC may result in an adjustment to the Exercise Price and Warrant Share Number for the Global Warrants. The Warrant Share Number and the Exercise Price (each as defined in the Warrant Certificate) for the Global Warrants are subject to adjustment upon the occurrence of certain events, including in the event WFC fixes a record date for and pays a regular quarterly cash dividend to holders of WFC’s common stock in excess of \$0.34 per share (as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction).

On April 25, 2017, WFC announced that the Board of Directors of WFC declared a quarterly common stock dividend of \$0.38 per share payable on June 1, 2017, to stockholders of record as of May 5, 2017. Immediately after the record date of May 5, 2017, the Exercise Price for the Global Warrants was reduced from \$33.787 to \$33.762.

The April 25, 2017, common stock dividend declaration did not result in a change in the Warrant Share Number for the Global Warrants, similar to the change that occurred on August 5, 2016. See the table providing historical information at the end of this Addendum.

**Part II Box 15**

Wells Fargo & Company expects the adjustment to the Global Warrants to be treated for U.S. federal income tax purposes under I.R.C. Section 305(c) as a taxable dividend distribution in an amount equal to the fair market value of the incremental stock rights attributable to the adjustment to the Exercise Price. For Form 1099-DIV reporting purposes, although there is no clear IRS guidance, WFC has decided to report this deemed dividend distribution as a qualified dividend distribution. Warrant holders who are U.S. taxpayers would need to determine if they met the required holding period to recognize the deemed distribution as a qualified dividend.

As a result of the treatment of the adjustment to the Global Warrants as a dividend distribution, a holder’s tax basis in his or her Global Warrants should increase by the amount of such dividend distribution. Further, the amount of such dividend distribution and the increase to basis in the Global Warrants is calculated to be \$0.019 per warrant as described below.

**Part II Box 16**

Consistent with the Proposed Treasury Regulations Section 1.305-7(c)(4), the calculation of the deemed dividend amount and the corresponding change to basis per Global Warrant is determined to be the excess of (i) the fair market value of a Global Warrant immediately after the adjustment over (ii) the fair market value of a Global Warrant as if no adjustment had occurred.

The fair market value of a Global Warrant immediately after the adjustment is determined in reference to a May 5, 2017, calculated price using a Black-Scholes option pricing model with pricing inputs, including volatility, the risk free return, WFC's stock price, WFC's dividend yield, and the remaining term of the Warrants as of May 5, 2017, including both the adjusted Exercise Price and the adjusted Warrant Share Number receivable upon exercise.

The fair market value of a Global Warrant without the applicable adjustment is determined in reference to that same model with the option pricing inputs held constant but using the Exercise Price without the May 5, 2017 adjustment.

**Part II Box 17**

Section 305(c) of the Internal Revenue Code of 1986, as amended.

**Part II Box 18**

No loss can be recognized.

**Part II Box 19**

The warrant adjustment was effective immediately after May 5, 2017. Consequently, the reportable taxable year for the holders of the Global Warrants for reporting the dividend income is the taxable year that includes May 5, 2017. Basis adjustment occurs in the same year but the effect of the basis adjustment will be recognized in the year in which the holder disposes of the warrants or the warrants lapse.

The following table summarizes the impact to the tax basis of each warrant for the warrant holder of record on the adjustment dates in 2016 and going forward, based on the aforementioned Proposed Regulation Section 1.305-7(c)(4):

| <b>Adjustment Date</b> | <b>Amount of Basis Adjustment</b> |
|------------------------|-----------------------------------|
| February 5, 2016       | \$0.014                           |
| May 6, 2016            | \$0.017                           |
| August 5, 2016         | \$0.388*                          |
| November 4, 2016       | \$0.016                           |
| February 3, 2017       | \$0.019                           |
| May 5, 2017            | \$0.019                           |

\*This basis adjustment amount was higher than other quarters because the conversion ratio was increased from 1.00 to 1.01. This change in the conversion ratio was based on the cumulative carry-forward changes discussed in Section 12(E) of the Warrant Agreement which does not require a change in the conversion ratio until all prior changes, after rounding, meet the next 1/100<sup>th</sup> of a share threshold.