
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): April 23, 2019

WELLS FARGO & COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-2979
(Commission File
Number)

No. 41-0449260
(IRS Employer
Identification No.)

420 Montgomery Street, San Francisco, California
(Address of Principal Executive Offices)

94104
(Zip Code)

1-866-249-3302
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Exchange Act (17 CFR 240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Wells Fargo & Company (the “Company”) held its annual meeting of shareholders on April 23, 2019 (the “Annual Meeting”). At the Annual Meeting, shareholders approved the Company’s Amended and Restated Long-Term Incentive Compensation Plan (“LTICP”) which, among other things, increases the number of shares of the Company’s common stock available for awards under the LTICP by an additional 200 million shares and provides that, subject to the share limitations within the LTICP, awards may be granted under the LTICP through the tenth anniversary of the Annual Meeting.

A description of the material terms and conditions of the LTICP appears on pages 116-123 of the Company’s definitive proxy statement for the Annual Meeting filed with the Securities and Exchange Commission on March 13, 2019 (as supplemented on April 2, 2019, the “Proxy Statement”). The description, a copy of which is filed as Exhibit 10(a) hereto, is incorporated herein by reference. The description of the LTICP incorporated herein by reference does not purport to be complete and is qualified in its entirety by reference to the full text of the LTICP, which is attached as Exhibit 10(b) to this report and is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting on April 23, 2019. At the Annual Meeting, shareholders elected all 12 of the directors nominated by the Company’s Board of Directors as each director received a greater number of votes cast for his or her election than votes cast against his or her election as reflected below. In addition, shareholders approved, on an advisory basis, the compensation of the Company’s named executives as disclosed in the Proxy Statement; approved the LTICP; and ratified the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2019. The shareholders did not approve the two shareholder proposals presented at the Annual Meeting. The final voting results for each item presented at the meeting are set forth below.

Election of Director Nominees

Director	FOR	%¹	AGAINST	ABSTENTIONS	BROKER NON-VOTES
John D. Baker II	3,389,427,750	95.84%	147,044,212	15,961,172	451,651,794
Celeste A. Clark	3,483,483,717	98.44%	55,087,772	13,862,894	451,650,544
Theodore F. Craver, Jr.	3,474,269,076	98.24%	62,175,206	15,990,102	451,650,544
Elizabeth A. Duke	3,366,177,140	95.10%	173,588,229	12,667,764	451,651,794
Wayne M. Hewett	3,465,890,388	98.00%	70,841,380	15,702,615	451,650,544
Donald M. James	3,396,210,652	96.04%	140,121,570	16,100,911	451,651,794
Maria R. Morris	3,467,822,432	98.01%	70,307,851	14,304,101	451,650,544
Juan A. Pujadas	3,470,251,414	98.10%	67,146,310	15,036,659	451,650,544
James H. Quigley	3,409,368,500	96.40%	127,209,529	15,855,103	451,651,794
Ronald L. Sargent	3,446,622,027	97.47%	89,498,390	16,313,966	451,650,544
C. Allen Parker	3,478,167,973	98.43%	55,482,195	18,782,965	451,651,794
Suzanne M. Vautrinot	3,453,462,693	97.60%	84,993,633	13,978,057	451,650,544

¹ Votes cast for the director nominee as a percentage of total votes cast for and against.

Advisory Resolution to Approve Executive Compensation

FOR	%²	AGAINST	ABSTENTIONS	BROKER NON-VOTES
3,262,030,893	91.83%	269,687,945	20,709,457	451,656,632

Approve the Company's Amended and Restated Long-Term Incentive Compensation Plan

FOR	%²	AGAINST	ABSTENTIONS	BROKER NON-VOTES
3,374,575,358	94.99%	158,686,139	19,165,899	451,657,532

Ratify the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for 2019

FOR	%²	AGAINST	ABSTENTIONS	BROKER NON-VOTES
3,850,513,048	96.16%	141,738,271	11,833,608	0

² Votes cast for the proposal as a percentage of total votes cast for and against and abstentions.

Shareholder Proposal – Report on Incentive-Based Compensation and Risks of Material Losses

FOR	% ²	AGAINST	ABSTENTIONS	BROKER NON-VOTES
759,734,680	21.39%	2,762,140,397	30,551,968	451,657,882

Shareholder Proposal – Report on Global Median Gender Pay Gap

FOR	% ²	AGAINST	ABSTENTIONS	BROKER NON-VOTES
765,423,502	21.55%	2,617,122,828	169,880,715	451,657,882

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10(a) [Description of Amended and Restated Long-Term Incentive Compensation Plan, filed herewith](#)

10(b) [Amended and Restated Long-Term Incentive Compensation Plan, filed herewith](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WELLS FARGO & COMPANY

DATED: April 26, 2019

By: /s/ Anthony R. Augliera
Anthony R. Augliera
Executive Vice President and Secretary

Executive Compensation

Item 3 – Approve the Company’s Amended and Restated Long-Term Incentive Compensation Plan

Introduction

On February 26, 2019, the Board approved an amendment and restatement (Plan Amendment) of our Long-Term Incentive Compensation Plan (LTICP). The primary purposes of the Plan Amendment are to (i) increase the number of shares of our common stock available for awards under the LTICP by an additional 200 million shares and (ii) provide that subject to the share limitations within the LTICP, awards may be granted under the LTICP through the tenth anniversary of the 2019 annual meeting. The Plan Amendment also provides (i) that dividends and dividend equivalents may be accumulated but will not be paid with respect to unvested awards unless and until such awards vest and (ii) for at least 95% of awards to have at least a one year vesting period. In addition, the Plan Amendment makes certain additional clarifying and other changes to the terms of the LTICP. The Plan Amendment will not take effect unless shareholders approve it at the annual meeting.

Share Increase

200 million shares

Estimated to allow for the grant of equity awards over the next four to five years

Plan Extension

10 years subject to share limitations

Other Best Practice Changes

Accumulated dividends and dividend equivalents will not be paid on unvested awards

At least 95% of awards must have at least a one year vesting period

Shares Available Under the LTICP

If shareholders approve the Plan Amendment, the maximum number of shares that may be issued under the LTICP on or after January 1, 2019, assuming no cancellation or forfeiture of outstanding awards, will be 352,307,259 shares. Assuming the maximum number of performance shares and including dividend equivalents through December 31, 2018 on RSRs and on the maximum number of performance shares, this number represents 60,299,339 shares subject to outstanding awards as of January 1, 2019 and 92,007,920 shares available for but not yet subject to a grant or award as of January 1, 2019, plus the additional 200 million shares authorized by the Plan Amendment.

Potential Dilution

Based on 4,581,253,608 shares of our common stock outstanding as of December 31, 2018, if all 60,299,339 shares subject to outstanding awards and all 92,007,920 shares available for future awards are ultimately issued, the shareholder dilution would be approximately 3.3%. If all of the additional 200 million shares authorized by the Plan Amendment are also ultimately issued, the shareholder dilution would be approximately 7.7%. Both dilution percentages assume that shares subject to awards will be issued on a one-for-one basis even though since March 1, 2009 each share issued under awards other than options or stock appreciation rights (SARs) counts as two shares against the LTICP share reserve. On March 1, 2019, the closing market price of our common stock was \$50.03.

Purpose of the LTICP

The Board believes that the LTICP is an important way to attract, retain, and motivate key team members and directors to produce growth in shareholder value and provide incentive compensation. Participation in the LTICP rewards key team members and directors for superior performance by giving them an opportunity to participate in this growth. In addition, in 2018, we used approximately 23,703,940 shares of our LTICP share reserve (taking into account that RSRs count as two shares against the LTICP share reserve) as a broad-based incentive grant to each of approximately 250,000 employees. These employees were each granted RSRs with respect to 50 shares (with respect to 30 shares for part-time U.S. employees) vesting after two years of continued service after the grant, subject to earlier vesting in full or in part in the case of the employee's death or disability or in other limited circumstances. This grant was given to team members for the important role they play in the Company's efforts to rebuild trust and to show team members that we value their contributions to our long-term success.

Share Usage

We are asking shareholders to approve the LTICP in the form included at the end of this proxy statement as Appendix A. The Board believes the additional 200 million shares for which we are requesting approval will provide a reasonable pool of equity awards that will allow us to continue using equity awards as a fundamental part of our compensation framework in alignment with our compensation principles. Based on our current grant practices and possible business growth, we estimate that the increased share reserve will allow us to continue to grant additional equity awards for approximately four to five years. The actual number of years could be influenced by a number of factors, including business growth, stock price, competitive pay practices, regulatory requirements, and our continued use of performance-based awards. Shareholders last approved an amendment and restatement of the LTICP in 2013.

Description of the LTICP

The following is a summary description of the LTICP reflecting the Plan Amendment. The full text of the LTICP reflecting the Plan Amendment is included at the end of this proxy statement as Appendix A. Shareholders are urged to read the LTICP, as the summary of the material terms is qualified in its entirety by reference to the text of the LTICP set forth in Appendix A.

LTICP Term

The Plan Amendment will become effective upon approval by the Company's shareholders if the shareholders approve the Plan Amendment at the 2019 annual meeting. Under the Plan Amendment, no awards may be granted under the LTICP after the tenth anniversary of the date the Plan Amendment becomes effective, but any award granted prior to the tenth anniversary of the effective date may extend beyond that date.

Shares Authorized

If shareholders approve the Plan Amendment, a total of 352,307,259 shares will be issuable on or after January 1, 2019. If shareholders do not approve the Plan Amendment, a total of 152,307,259 shares will be issuable on or after January 1, 2019. The number of shares available for issuance under the LTICP is not reduced by shares counted with respect to awards that have been canceled, expired, forfeited or settled in cash or substitute awards granted in connection with a transaction.

Share Formula

Each share issued under awards other than stock options or SARs will count against the number of shares available under the LTICP as two (2) shares. Shares issued under stock options or SARs count against the shares available under the LTICP on a share-for-share basis.

Committee

The LTICP is administered by the HRC with respect to awards to employees and by the GNC with respect to non-employee directors or is administered by such other committee of two or more directors established by the Board from time to time (Committee).

Eligibility

Members of our Board, and employees and certain former employees (with respect to certain compensation earned while employed) selected by the Committee, are eligible to become participants in the LTICP. As of March 1, 2019, we had 12 non-employee directors and approximately 260,000 employees.

Director Awards

The Committee determines all awards to non-employee directors and such awards are not subject to management's discretion. From time to time, the Committee will set the amount and the type of award that will be granted to non-employee directors on a periodic, nondiscriminatory basis. The Committee may also set additional awards to be granted to non-employee directors also on a periodic, nondiscriminatory basis based on one or more of the following criteria: (i) service as the chair of a Board committee; (ii) service as the Board Chair or Lead Director; (iii) the number or type of Board committees on which a director serves; or (iv) the first selection or appointment of an individual to the Board.

Executive Compensation

Award Types

The Committee may grant awards in the form of stock options, SARs, restricted stock, RSRs, performance shares, performance units, stock awards, or performance-based cash awards.

Individual Award Limits

Subject to certain anti-dilution and other adjustments, no participant may be granted in any calendar year (i) stock options or SARs covering more than 14,000,000 shares; or (ii) awards other than stock options or SARs covering more than 4,000,000 shares.

The maximum cash award under the Performance Policy portion of the LTICP payable in any calendar year to a participant may not exceed two-tenths of one percent (0.2%) of the Company's "net income." In addition, pursuant to an award of performance units granted under the LTICP that is intended to satisfy the requirements for "performance-based compensation" under prior IRC Section 162(m), the maximum cash amount payable in any calendar year to any participant may not exceed a dollar amount equal to two-tenths of one percent (0.2%) of the Company's "net income" for that calendar year. For the purposes of the LTICP, the term "net income" means our net income for the applicable performance period as reported in our consolidated financial statements, adjusted to eliminate the effect of (i) losses resulting from discontinued operations; (ii) extraordinary gains or losses; (iii) the cumulative effect of changes in generally accepted accounting principles; and (iv) any other unusual or infrequently occurring gain or loss which is separately identified and quantified.

Administration

Subject to the provisions of the LTICP, the Committee has the power to:

- Prescribe, amend, and rescind rules and regulations relating to the LTICP and to define terms not otherwise defined therein;
- Determine which persons are eligible to participate, to which of such participants, if any, awards shall be granted, and the timing of any such awards;
- Grant awards to participants and determine the terms and conditions thereof, including the number of shares subject to awards and the exercise or purchase price of such shares and the circumstances under which awards become exercisable or vested or are forfeited or expire;
- Establish and certify the extent of satisfaction of any performance criteria or other conditions applicable to the grant, issuance, exercisability, vesting, and/or ability to retain any award;
- Prescribe and amend the terms of the agreements or other communications evidencing awards made under the LTICP (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Company by participants under the LTICP;
- Determine the appropriate adjustment, if any, as a result of any reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off, stock dividend, or similar transactions or changes in the number or kind of outstanding shares or any stock or other securities into which such shares shall have been exchanged;
- Determine whether, in connection with certain changes in shares or a change in control, to accelerate the exercisability of awards and provide for the cancellation of such accelerated awards not exercised within a period determined by the Committee or to terminate any awards for an equitable cash amount;
- Subject to the LTICP's prohibitions on re-pricing, make adjustments in recognition of unusual or infrequently occurring events or changes in applicable laws (including non-U.S. laws), regulations, or accounting principles in order to prevent dilution or enlargement of the benefits;
- Interpret and construe the LTICP, any rules and regulations under the LTICP, and the terms and conditions of any award granted thereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and
- Make all other determinations deemed necessary or advisable for the administration of the LTICP.

Stock Options

Stock options may be granted as non-qualified stock options or incentive stock options, and must be granted at a price no lower than the fair market value of the stock on the day of grant. However, non-employee directors and former employees are not eligible for incentive stock options. Stock options may be exercised during a period of time fixed by the Committee, except that (i) stock options may not become fully vested until at least one year after the date of grant (except upon a change in control or termination of employment due to death, disability, or retirement); and (ii) no stock option may be exercised more than ten years after the day it is granted. Otherwise, the Committee has discretion to determine the number of shares subject to an option (subject to the LTICP's stated limits), the vesting, expiration, and forfeiture provisions for options, the restrictions on transferability of an option, and any other terms and conditions otherwise consistent with the LTICP. The exercise price of an option may be paid through various means acceptable to the Committee, including in cash or, to the extent allowed by the Committee, by delivering (either physically or by attestation) previously owned shares or by delivering to us the proceeds of shares of our common stock issuable under an option or by other methods approved by the Committee. The LTICP prohibits re-pricing stock options without shareholder approval.

Stock Appreciation Rights

A stock appreciation right (SAR) entitles a participant to receive a payment, in cash, common stock, or a combination of both, in an amount equal to the difference between the fair market value of our common stock at the time of exercise and the exercise price of the award, which may not be lower than the fair market value of our common stock on the day of grant. SARs may be exercised during a period of time of up to ten years after the grant date, as fixed by the Committee. SARs may be granted either in tandem with, or as a component of, other awards granted under the LTICP, or not in conjunction with other awards and may, but need not, relate to a specific option. SARs are generally subject to the same terms and limitations as options or, when granted in tandem with other awards, to the same terms as those other awards. SARs cannot be re-priced without shareholder approval.

Restricted Stock, Restricted Share Rights and Stock Awards

An award of restricted stock consists of a specified number of shares of our common stock that are subject to restrictions on transfer, conditions of forfeiture, and any other terms and conditions for periods determined by the Committee. Prior to the termination of the restrictions, a participant may vote the restricted stock unless the Committee determines otherwise, but may not sell or otherwise transfer the shares. Dividends or distributions paid with respect to unvested restricted stock are subject to the same restrictions and vesting schedule as the underlying restricted stock. Dividends or distributions may be accumulated but shall not be paid with respect to unvested restricted stock unless and until the vesting conditions are satisfied. The Committee may also make stock awards of common stock without restrictions except that such awards to team members can be made only if in lieu of salary, cash bonus, or other cash compensation.

An award of RSRs entitles a participant to receive a specified number of shares of our common stock upon the expiration of a stated vesting period. It may also include the right to dividend equivalents, to the extent provided by the Committee but shall not be paid with respect to unvested RSRs unless and until the vesting conditions are satisfied although they may be accumulated until such time. Dividend equivalents with respect to unvested RSRs are subject to the same restrictions and vesting schedule as the RSRs to which the dividend equivalents relate. Unless the Committee determines otherwise, after a RSR vests, the shares of common stock specified in the award will be issued to the participant. A participant who has been awarded RSRs may not vote the shares of common stock subject to the RSRs until the shares are issued. Until the vesting period applicable to a RSR award expires and the shares are issued, the participant also may not transfer or encumber any interest in the RSRs or in any related dividend equivalents.

The Committee has discretion to determine the terms of any award of restricted stock or RSRs, including the number of shares subject to the award (subject to the LTICP's stated limits), and the minimum period over which the award may vest; provided that, subject to acceleration due to the participant's death, disability, or retirement or a change in control of the Company and subject to a limited pool of awards (up to 5% of the aggregate number of shares under the LTICP) not subject to these restrictions, referred to as "shorter vesting awards," (i) in no event may the grant, issuance, retention, vesting, and/or settlement of shares under an award of RSRs that is based on the level of achievement versus performance criteria be subject to a performance period of less than one year; and (ii) no condition that is based solely upon continued employment or the passage of time may provide for vesting or settlement in full of an award of RSRs over a term of less than one year from the date of grant. These limitations do not apply to either shorter vesting awards or awards of RSRs granted in lieu of salary, cash bonus, or other cash compensation.

Performance Shares, Performance Units and Performance Cash Awards

A grant of performance shares, performance units or performance cash awards entitles a participant to receive cash, common stock (which may be in the form of restricted stock or RSRs), or a combination of both, based on the degree of achievement of pre-established performance criteria over a performance period of one to five years, as determined by the Committee. The Committee has discretion to determine the terms of any award of performance shares, performance units or performance cash awards, including the maximum amount payable (subject to the LTICP's stated limits), the performance period, which must be a period of between one and five years, performance criteria (which may be based on Company, group, unit, individual or other performance), and level of achievement versus these criteria, the timing of any payment, restrictions on an award of performance shares or performance units prior to actual payment, forfeiture provisions, and any other terms and conditions consistent with the LTICP. The Committee may specify that all or a portion of an award of performance shares, performance units or performance cash awards is intended to satisfy the requirements for "performance-based compensation" under prior Section 162(m) of the IRC using "qualifying performance criteria" described below.

Performance Criteria

The Committee may establish performance criteria and the level of achievement versus such criteria that determines the number of shares of common stock to be granted, retained, vested, issued, or issuable under or in settlement of or the amount payable pursuant to an award, which criteria may be based on qualifying performance criteria or other criteria based on Company, group, unit, individual or other performance. In addition, the Committee may specify a percentage of an award that is intended to satisfy the requirements for "performance-based compensation" under prior Section 162(m) of the IRC, provided that the performance criteria for any portion of an award that is intended by the Committee to satisfy the requirements for "performance-based compensation" under prior Section 162(m) of the IRC shall be a measure based on one or more qualifying performance criteria selected by the Committee and specified at the time the award is granted. Notwithstanding satisfaction of any performance criteria, the number of shares issued under or the amount paid under an award may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

Qualifying performance criteria for "performance-based compensation" under prior Section 162(m) of the IRC may be any one or more of the following performance criteria, in each case as specified by the Committee in the award: (i) earnings per share; (ii) business unit net earnings; (iii) return on realized common equity; (iv) total shareholder return; (v) return on assets; (vi) return on equity; or (vii) capital ratios (including, but not limited to, tier 1 and regulatory capital ratios).

The qualifying performance criteria may be applied either individually, alternatively, or in any combination, applied to either the Company as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to a previous year's results or to a designated comparison group. In addition, the Committee may provide that qualifying performance criteria be adjusted as determined appropriate by the Committee to the extent consistent with prior Section 162(m) of the IRC including, without limitation, to reflect extraordinary, unusual or infrequently occurring events, transactions or other items; acquired, discontinued or disposed operations; effects of changes in accounting principles, tax or other laws or requirements; regulatory capital requirements; or similar events or circumstances. The maximum cash incentive compensation award for awards designed as "performance-based compensation" under prior Section 162(m) of the IRC payable in any calendar year to any covered executive officer may not exceed two-tenths of one percent (0.2%) of the Company's "net income" as defined in the LTICP.

Tax Withholding

In connection with awards under the LTICP, the Company may withhold from any cash otherwise payable to a participant or require a participant to remit to us an amount sufficient to satisfy federal, state, local and foreign withholding taxes. Tax withholding obligations could be satisfied by withholding shares to be received upon exercise of an option or SAR, the vesting of restricted stock, performance share, or stock award, or the payment of a RSR, performance unit, or performance-based cash award, or by delivery to the Company of previously-owned shares of common stock.

Transferability

Awards are not transferable or assignable unless provided otherwise by the Committee with respect to certain specified family-related transfers.

Amendment and Termination

The Board or the HRC or the GNC may modify, suspend, or terminate the LTICP but may not, without the prior approval of our shareholders, make any change to the LTICP that reduces the exercise price of or reprices outstanding stock options or SARs or otherwise amends the LTICP in any manner requiring shareholder approval by law or under the NYSE listing requirements.

Grants

Additional information about the LTICP and other plans pursuant to which awards in the form of shares of our common stock may be made to directors and employees in exchange for goods or services is provided under [*Equity Compensation Plan Information*](#).

Since the initial approval of the LTICP in 1984 through March 1, 2019, the following number of stock options have been granted under the LTICP to the individuals and groups set forth below. Although the LTICP permits the grant of stock options, we have not granted stock options since 2013.

Timothy J. Sloan, CEO and President	3,839,368
John R. Shrewsberry, Sr. EVP, Chief Financial Officer	420,730
Mary T. Mack, Sr. EVP, Consumer Banking	—
Avid Modjtabai, Sr. EVP, Payments, Virtual Solutions and Innovations	1,344,562
Perry G. Pelos, Sr. EVP, Wholesale Banking	523,052
Current Executive Officers (Group)	7,029,560
John D. Baker II, Non-Employee Director	22,570
Donald M. James, Non-Employee Director	22,570
Current Non-Employee Directors (Group)	45,140
Non-Executive Officer Employees (Group)	696,640,323

No individual other than Richard M. Kovacevich, a former Chairman, President and Chief Executive Officer of the Company, has received 5% or more of the stock options granted since initial approval of the LTICP in 1984 through March 1, 2019. Mr. Kovacevich received 39,418,719 stock options.

Future Grants

No grants have been made that are contingent on the approval of the Plan Amendment by stockholders. Options or awards that may be granted in the future under the LTICP, as amended by the Plan Amendment, are within the discretion of the Committee. Under the directors equity compensation program currently in effect, unless otherwise determined by the Committee, each non-employee director elected at our 2019 annual meeting of shareholders will receive, under the LTICP, an award of our common stock having an award value of \$180,000. A non-employee director who joins the Board as of any other date will receive, under the LTICP, as of such other date, a stock award based on the full-year award value prorated to reflect the number of months (rounded up to the next whole month) remaining until the next annual meeting of shareholders. The number of shares of our common stock subject to a stock award will be determined by dividing the award value by the NYSE-only closing price of our common stock on the date of grant (rounded up to the nearest whole share).

Certain Federal Income Tax Consequences

The following discussion of the U.S. federal income tax consequences of the LTICP is intended to be a general summary of applicable U.S. federal law as currently in effect. Foreign, state, and local tax consequences may differ and may be amended or interpreted differently during the term of the LTICP or of awards granted thereunder. Because the federal income tax rules governing awards and related payments are complex and subject to frequent change, award holders are advised to consult their individual tax advisors.

Non-Qualified Stock Options

A participant who is granted a non-qualified stock option will not recognize income and we will not be allowed a deduction at the time the option is granted. When a participant exercises a non-qualified stock option, the difference between the exercise price and any higher market value of the stock on the date of exercise (stock option gains) will be ordinary income to the participant and will generally be allowed as a deduction for federal income tax purposes to Wells Fargo. The capital gain holding period of the shares acquired will begin one day after the date the stock option is exercised. When a participant disposes of shares acquired by the exercise of the option, any amount received that is more than the fair market value of the shares on the exercise date will be treated as short-term or long-term capital gain, depending upon the holding period of the shares. If the amount received is less than the market value of the shares on the exercise date, the loss will be treated as short-term or long-term capital loss, depending upon the holding period of the shares.

Incentive Stock Options

A participant who is granted an incentive stock option also will not recognize income and we will not be allowed a deduction at the time the option is granted. When a participant exercises an incentive stock option while employed by us or within the three-month period (one-year period, in the case of disability) after his or her employment ends, the participant will not recognize any ordinary income at that time. However, any excess of the fair market value of the shares acquired by such exercise over the exercise price will be an item of tax preference for purposes of any federal alternative minimum tax applicable to individuals. If the shares acquired upon exercise are disposed of more than two years after the date of grant and one year after the date of transfer of the shares to the participant (statutory holding periods), any sale proceeds that exceed the total exercise price of these shares will be long-term capital gain. Except in the event of the optionee's death, if the shares are disposed of prior to the expiration of the statutory holding periods, referred to as a "disqualifying disposition," generally, the amount by which the fair market value of the shares at the time of exercise exceeds the total exercise price will be ordinary income. If a disqualifying disposition occurs, we will generally be entitled to a federal tax deduction for a similar amount.

Stock Appreciation Rights

The grant of a SAR is generally not a taxable event for a participant. Upon exercise of the SAR, the participant will generally recognize ordinary income equal to the cash or the fair market value of any shares received. We will generally be entitled to a tax deduction at the same time for the same amount. The participant's subsequent sale of the shares generally will give rise to capital gain or loss equal to the difference between the sale price and the ordinary income recognized when the participant received the shares, and these capital gains (or losses) will be treated as short-term or long-term capital gains (or losses), depending upon the holding period of the shares.

Restricted Stock, Restricted Share Rights, Performance Shares and Stock Awards

Grantees of restricted stock, RSRs, performance shares, or stock awards (to the extent such awards are unvested at the time of grant) do not recognize income at the time of the grant of such awards. However, when the award vests or is paid, as applicable, the grantee generally recognizes ordinary income in an amount equal to the fair market value of the stock at such time, and we will receive a corresponding deduction.

A participant could, within 30 days after the date of an award of restricted stock, performance shares or stock awards (but not an award of RSRs), elect to report compensation income for the tax year in which the award of restricted stock occurs. If the participant makes such an election, the amount of compensation income would be the value of the award at the time of grant. Any later appreciation in the value of the award would be treated as capital gain and realized only upon the sale of the stock subject to the award. If, however, the award is forfeited after the participant makes such an election, the participant would not be allowed any deduction for the amount earlier taken into income. Upon the sale of shares subject to the award, a participant would realize capital gain (or loss) in the amount of the difference between the sale price and the value of the shares previously reported by the participant as compensation income.

Performance Units and Cash

A participant will not have taxable income upon the grant of a contingent right to a performance unit or cash. Rather, taxation will be postponed until the performance unit or cash becomes payable. At that time, the participant will recognize ordinary income equal to the value of the amount then payable.

Tax Withholding

In connection with awards under the LTICP, we may withhold from any cash otherwise payable to a participant or require a participant to remit to us an amount sufficient to satisfy federal, state, local and foreign withholding taxes. Tax withholding obligations could be satisfied by withholding shares to be received upon exercise of an option or SAR, the vesting of restricted stock, performance share, or stock award, or the payment of a RSR or performance unit or by delivery to us of previously owned shares of common stock.

Company Deduction and Section 162(m)

IRC Section 162(m) limits the otherwise allowable deduction for compensation during a calendar year paid to certain executive officers. Section 162(m) generally limits the otherwise allowable deduction to \$1,000,000 for such executive officers unless payments are grandfathered as “performance-based” under prior IRC 162(m) pursuant to written binding contracts in effect on November 2, 2017.

Section 280G and Parachute Payment Treatment

Acceleration of vesting or payment of awards under the LTICP in the event of a change in control of the Company may cause part or all of the amount involved to be treated as an “excess parachute payment” under Section 280G of the IRC. Such treatment may subject the participant to a 20% excise tax and preclude deduction of such amounts by the Company.

Section 409A and Deferred Compensation Treatment

Under Section 409A of the IRC, certain awards granted under the LTICP could be determined to be nonqualified deferred compensation. Section 409A imposes on persons with nonqualified deferred compensation that does not meet the requirements of Section 409A (i) taxation immediately upon vesting of the nonqualified deferred compensation and earnings thereon (regardless of whether the compensation is then paid); (ii) interest at the underpayment rate plus 1%; and (iii) an additional 20% tax. To the extent applicable, the Company intends that awards granted under the LTICP be exempt from or comply with Section 409A.

Item 3 – Approve the Company’s Amended and Restated Long-Term Incentive Compensation Plan

Our Board recommends that you vote **FOR** the approval of the Amended and Restated Long-Term Incentive Compensation Plan.

Amended and Restated Long-Term Incentive Compensation Plan

Long-Term Incentive Compensation Plan (as amended and restated April 23, 2019)

1. **Purpose.** The purpose of Wells Fargo & Company's Long-Term Incentive Compensation Plan (the "Plan") is to motivate key employees and directors to produce a superior return to the stockholders of Wells Fargo & Company by offering them an opportunity to participate in stockholder gains, by facilitating stock ownership and by rewarding them for achieving a high level of corporate financial performance. The Plan also contains within it a Performance-Based Compensation Policy with the purpose of establishing one or more performance goals for payment of incentive compensation to certain executive officers. The Plan is also intended to facilitate recruiting and retaining both talented executives for key positions and directors with outstanding abilities and skills by providing an attractive capital accumulation opportunity. The Plan was originally adopted on September 25, 1984, last amended and restated effective April 23, 2013 and subsequently amended effective January 1, 2016. This amendment and restatement of the Plan has been approved by the Board (as defined below) subject to the approval of stockholders at the annual meeting of stockholders scheduled for April 23, 2019.
2. **Definitions.**
 - 2.1 The following terms, whenever used in this Plan, shall have the meanings set forth below:
 - (a) "Affiliate" means any corporation or limited liability company, a majority of the voting stock or membership interests of which is directly or indirectly owned by the Company, and any partnership or joint venture designated by the Committee in which any such corporation or limited liability company is a partner or joint venturer.
 - (b) "Award" means a grant made under this Plan in the form of Performance Shares, Restricted Stock, Restricted Share Rights, Options, Performance Units, Stock Appreciation Rights, Stock Awards or Performance-Based Compensation Policy Cash Awards.
 - (c) "Award Agreement" means a written agreement or other communication evidencing the terms and conditions of an Award in the form of either an agreement to be executed by both the Participant and the Company (or an authorized representative of the Company) or a certificate, notice, term sheet or similar communication.
 - (d) "Beneficiary" means the person or persons determined in accordance with Section 13.
 - (e) "Board" means the Board of Directors of the Company.
 - (f) "Business Unit Net Earnings" means the net earnings of the business unit of the Company managed by a Participant, as determined in accordance with generally accepted accounting principles, adjusted in accordance with the Company's management accounting practices and conventions in effect at the beginning of the relevant Performance Period, and as further adjusted in the same manner provided below for Net Income.
 - (g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rulings and regulations issued thereunder.
 - (h) "Committee," unless otherwise specified or another committee consisting of two or more members is selected by the Board, means with respect to the Awards to Employees, the Human Resources Committee of the Board and with respect to the Awards to Directors, the Governance and Nominating Committee of the Board.

- (i) "Company" means Wells Fargo & Company, a Delaware corporation. "Director" means an individual who both is a director of the Company and is not an employee of the Company or an Affiliate.
- (j) "Director" means an individual who both is a director of the Company and is not an employee of the Company or an Affiliate.
- (k) "Earnings Per Share" means the Company's diluted earnings per share as reported in the Company's consolidated financial statements for the applicable Performance Period, adjusted in the same manner as provided below for Net Income.
- (l) "Employee" means (i) an individual who is a common law employee (including an officer or director who is also an employee) of the Company or an Affiliate, and (ii) an individual (a) who is no longer employed by the Company or an Affiliate due to Retirement or otherwise, (b) who is eligible to receive a cash bonus or other cash compensation earned while in the employment of the Company or an Affiliate, and (c) whose cash bonus or other cash compensation the Committee, in its discretion, determines that all or a portion thereof be paid in the form of an Award under the Plan.
- (m) "Fair Market Value" as of any date means, unless a different calculation measure is specified by the Committee, that day's closing sales price of a Share on the New York Stock Exchange.
- (n) "Incentive Stock Option" means any Option designated as such and which is intended to meet the requirements of Section 422 of the Code.
- (o) "Net Income" shall mean the Company's net income for the applicable Performance Period as reported in the Company's consolidated financial statements, adjusted to eliminate the effect of (i) losses resulting from discontinued operations, (ii) extraordinary gains or losses, (iii) the cumulative effect of changes in generally accepted accounting principles, and (iv) any other unusual or infrequently occurring gain or loss which is separately identified and quantified.
- (p) "Non-Qualified Stock Option" means an Option other than an Incentive Stock Option.
- (q) "Option" means a right to purchase Shares, and includes an Incentive Stock Option or a Non-Qualified Stock Option.
- (r) "Participant" means a person described in Section 5 designated by the Committee to receive an Award under the Plan.
- (s) "Performance-Based Compensation Policy" means the policy contained in Section 16.
- (t) "Performance-Based Compensation Policy Award" means an Award pursuant to Section 16.
- (u) "Performance-Based Compensation Policy Cash Award" means a Performance-Based Compensation Policy Award granted to a Participant pursuant to Section 16 which is denominated and payable in cash.
- (v) "Performance Period" means the performance period specified by the Committee for the relevant Award. Unless otherwise designated by the Committee, the Performance Period for any Performance-Based Compensation Policy Award shall be the calendar year, commencing January 1 and ending December 31.
- (w) "Performance Shares" means an Award granted under Section 6 which entitles a Participant to receive Shares, their cash equivalent, or a combination thereof, based on the achievement of one or more specified performance criteria during one or more Performance Periods.
- (x) "Performance Units" means an Award granted under Section 6 which entitles a Participant to receive cash, Shares, or a combination thereof, based on the achievement of one or more specified performance criteria during one or more Performance Periods.
- (y) "Plan" means this Long-Term Incentive Compensation Plan, as amended from time to time.
- (z) "Qualifying Performance Criteria" has the meaning set forth in Section 15.2.
- (aa) "Restricted Share Right" means an Award granted under Section 9 of the right to receive a Share subject to vesting and such other restrictions imposed pursuant to said Section, together with dividend equivalents with respect to such right to receive a Share if and as so determined by the Committee.

- (bb) "Restricted Stock" means a Share granted under Section 7 that is subject to restrictions imposed pursuant to said Section.
- (cc) "Retirement" means, unless otherwise determined by the Committee at the time the Committee approves the Award, termination of employment after reaching the earliest of (i) age 55 with 10 completed years of service, or (ii) 80 points (with one point credited for each completed age year and one point credited for each completed year of service), or (iii) age 65. For purposes of this definition, a Participant is credited with one year of service after completion of each full 12-month period of employment with the Company or an Affiliate as determined by the Company or Affiliate.
- (dd) "Return on Realized Common Equity" means the Net Income of the Company on an annualized basis less dividends accrued on outstanding preferred stock, divided by the Company's average total common equity excluding average accumulated comprehensive income as reported in the Company's consolidated financial statements for the relevant Performance Period.
- (ee) "Share" means a share of the common stock, \$1-2/3 par value per share, of the Company.
- (ff) "Shorter Vesting Awards" has the meaning set forth in Section 7.2.
- (gg) "Specified Employee" means a Participant who is a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i), as determined in a uniform manner by the Company or its duly authorized representative for purposes of this Plan and all other nonqualified deferred compensation plans maintained by the Company and its Affiliates.
- (hh) "Stock Appreciation Right" means a right awarded to a Participant pursuant to Section 11 that entitles the Participant to receive, in cash, Shares or a combination thereof, as determined by the Committee, an amount equal to or otherwise based on the excess of (a) the Fair Market Value of a Share at the time of exercise over (b) the exercise price of the right, as established by the Committee on the date the Award is granted.
- (ii) "Stock Award" means an Award of Shares granted to a Participant pursuant to Section 8.
- (jj) "Substitute Award" means an Award granted in connection with a transaction in substitution, exchange, conversion, adjustment, assumption or replacement of awards previously granted by an entity acquired by the Company or an Affiliate or with which the Company or an Affiliate merges or otherwise combines.
- (kk) "Term" means the period during which an Option or Stock Appreciation Right may be exercised or the period during which the restrictions placed on a Restricted Share Right or Restricted Stock are in effect.

2.2 Gender and Number. Except when otherwise indicated by context, reference to the masculine gender shall include, when used, the feminine gender and any term used in the singular shall also include the plural.

3. Administration.

- 3.1 Administration of the Plan. The Plan shall be administered by the Committee. Any power of the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause an Award intended to qualify for treatment as "performance-based compensation" under Section 162(m) of the Code not to qualify for treatment as "performance-based compensation" under Section 162(m) of the Code. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control. The Committee may delegate any or all aspects of the day-to-day administration of the Plan to one or more officers or employees of the Company or any Affiliate, and/or to one or more agents.
- 3.2 Powers of the Committee. Subject to the express provisions of this Plan, including, without limitation, Section 27, the Committee shall be authorized and empowered to take all actions that it determines to be necessary or appropriate in connection with the administration of this Plan, including, without limitation: (i) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein; (ii) to determine which persons are eligible to be granted Awards under Section 5, to which of such persons, if any, Awards shall be granted hereunder and the timing of any such Awards; (iii) to grant Awards to Participants and determine the terms and conditions of Awards, including the number of Shares

subject to Awards, the exercise or purchase price of such Shares, and the circumstances under which Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance criteria, the occurrence of certain events, or other factors; (iv) to establish and certify the extent of satisfaction of any performance criteria or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; (v) to prescribe and amend the terms of Award Agreements or other communications evidencing Awards made under this Plan (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Company by Participants under this Plan; (vi) to determine whether, and the extent to which, adjustments are required pursuant to Section 25; (vii) to interpret and construe this Plan, any rules and regulations under this Plan, and the terms and conditions of any Award granted hereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and (viii) to make all other determinations deemed necessary or advisable for the administration of this Plan.

- 3.3 Determinations by the Committee. All decisions, determinations and interpretations by the Committee regarding the Plan, any rules and regulations under the Plan, and the terms and conditions of or operation of any Award granted hereunder, shall be final and binding on all Participants, Beneficiaries, heirs, assigns or other persons holding or claiming rights under the Plan or any Award. The Committee shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select.

4. Shares Available Under the Plan; Limitation on Awards.

- 4.1 Aggregate Limits. Subject to adjustment as provided in Section 25, the aggregate number of Shares issuable pursuant to all Awards under this Plan on or after January 1, 2019 shall not exceed 352,307,259 Shares; provided that each Share issued pursuant to Awards of Performance Shares, Restricted Stock, Restricted Share Rights, Performance Units or Stock Awards shall be counted against this limit as two (2) Shares. The Shares issued pursuant to Awards granted under this Plan may consist, in whole or in part, of authorized but unissued Shares or treasury Shares not reserved for any other purpose. For purposes of this Section 4.1, the aggregate number of Shares available for Awards under this Plan at any time shall not be reduced with respect to Shares (the number determined consistent with the applicable Share counting provisions of this Section 4.1) attributable to Awards that have been canceled, expired, forfeited or settled in cash. Substitute Awards may be granted under this Plan and such Substitute Awards shall not reduce the aggregate number of Shares available for Awards under this Plan.

- 4.2 Tax Code Limits. No Participant may be awarded in any calendar year (i) Options or Stock Appreciation Rights covering an aggregate of more than 14,000,000 Shares or (ii) Awards other than Options or Stock Appreciation Rights covering an aggregate of more than 4,000,000 Shares, which limits shall be calculated and adjusted pursuant to Section 25 only to the extent that such calculation or adjustment will not affect the status of any Award theretofore issued or that may thereafter be issued as "performance-based compensation" under Section 162(m) of the Code. Pursuant to a Performance Unit granted under this Plan that is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code, the maximum cash amount payable in any calendar year to any Participant shall be a dollar amount not to exceed two-tenths of one percent (0.2%) of the Company's Net Income for that calendar year.

5. Participation. Participation in the Plan shall be limited to Employees of the Company or an Affiliate selected by the Committee and to Directors. Options intending to qualify as Incentive Stock Options may only be granted to employees of the Company or any subsidiary within the meaning of the Code. Participation is entirely at the discretion of the Committee, and is not automatically continued after an initial period of participation.
6. Performance Shares and Performance Units. An Award of Performance Shares or Performance Units under the Plan shall entitle the Participant to future payments or Shares or a combination thereof based upon the level of achievement with respect to one or more pre-established performance criteria (including Qualifying Performance Criteria) established for one or more Performance Periods. The Performance Period over which Performance Shares or Performance Units are earned shall not be less than one year nor more than five years as specified by the Committee.

- 6.1 Amount of Award. The Committee shall establish a maximum amount of a Participant's Award, which amount shall be denominated in Shares in the case of Performance Shares or in dollars in the case of Performance Units.
- 6.2 Communication of Award. Each Award Agreement evidencing an Award of Performance Shares or Performance Units shall contain provisions regarding (i) the target and maximum amount payable to the Participant pursuant to the Award, (ii) the performance criteria and level of achievement versus these criteria that shall determine the amount of such payment, (iii) the Performance Period over which performance shall be measured for determining the amount of any payment, (iv) the timing of any payment earned based on performance, (v) restrictions on the alienation or transfer of the Award prior to actual payment, (vi) forfeiture provisions and (vii) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Committee.
- 6.3 Performance Criteria. Performance criteria established by the Committee shall relate to corporate, group, unit, individual or other performance, and may be established in terms of earnings, growth in earnings, ratios of earnings to equity or assets, or such other measures or standards determined by the Committee; provided, however, that the performance criteria for any portion of an Award of Performance Shares or Performance Units that is intended by the Committee to satisfy the requirements for "performance-based compensation" under Code Section 162(m) shall be a measure based on one or more Qualifying Performance Criteria selected by the Committee and specified at the time the Award is granted. Multiple performance criteria may be used and the components of multiple performance criteria may be given the same or different weighting in determining the amount of an Award earned, and may relate to absolute performance or relative performance measured against other groups, units, individuals or entities.
- 6.4 Discretionary Adjustments. Notwithstanding satisfaction of any performance criteria, the amount paid under an Award of Performance Shares or Performance Units on account of either financial performance or individual performance evaluations may be reduced by the Committee on the basis of such further considerations as the Committee shall determine.
- 6.5 Payment of Awards. Following the conclusion of each Performance Period, the Committee shall determine the extent to which performance criteria have been attained, and the satisfaction of any other terms and conditions with respect to an Award relating to such Performance Period. The Committee shall determine what, if any, payment is due with respect to an Award and whether such payment shall be made in cash, Shares or a combination thereof. Payment shall be made on such date(s) after the end of the applicable Performance Period as the Committee establishes at the time the Award is granted in a single lump sum unless the Committee provides otherwise, subject to such terms and conditions and in such form as may be prescribed by the Committee. Unless the Committee provides otherwise, the payment date so established by the Committee shall not be later than March 1 of the year after the year in which the Performance Period ends. Payment in Stock may be in Restricted Stock as determined by the Committee at the time the Award is granted.
- 6.6 Termination of Employment. Unless the Committee provides otherwise:
- (a) Due to Death or Disability. If a Participant ceases to be an Employee before the end of a Performance Period by reason of the Participant's death or permanent disability, the Performance Period for such Participant for the purpose of determining the amount of Award payable shall end at the end of the calendar quarter immediately preceding the date on which said Participant ceased to be an Employee. The amount of an Award payable to a Participant (or the Beneficiary of a deceased Participant) to whom the preceding sentence is applicable shall be paid at the end of the Performance Period, and shall be that fraction of the Award computed pursuant to the preceding sentence the numerator of which is the number of calendar quarters during the Performance Period during all of which said Participant was an Employee and the denominator of which is the number of full calendar quarters in the Performance Period.
 - (b) Due to Reasons Other Than Death or Disability. Upon any other termination of employment of a Participant during a Performance Period, participation in the Plan shall cease and all outstanding Awards of Performance Shares or Performance Units to such Participant shall be cancelled.
7. Restricted Stock Awards. An Award of Restricted Stock under the Plan shall consist of Shares the grant, issuance, retention, vesting and/or transferability of which are subject, during specified periods of time, to such conditions and

terms as the Committee deems appropriate. Awards of Restricted Stock granted pursuant to the Plan need not be identical, but each grant of Restricted Stock must contain and be subject to the terms and conditions set forth below.

- 7.1 Award Agreement. Each Award of Restricted Stock shall be evidenced by an Award Agreement. Each Award Agreement shall contain provisions regarding (i) the number of Shares subject to the Award or a formula for determining such number, (ii) the purchase price of the Shares, if any, and the means of payment, (iii) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Restricted Stock as may be determined from time to time by the Committee, (iv) any restrictions on the transferability of the Award and (v) such further terms and conditions, in each case not inconsistent with this Plan, as may be determined from time to time by the Committee. Shares issued under an Award of Restricted Stock may be issued in the name of the Participant and held by the Participant or held by the Company, in each case as the Committee may provide.
- 7.2 Vesting and Lapse of Restrictions. The grant, issuance, retention, vesting and/or settlement of Shares of Restricted Stock shall occur at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain, vesting and/or settlement of Shares of Restricted Stock subject to continued employment, passage of time and/or such performance criteria as deemed appropriate by the Committee; provided that except as set forth below, in no event shall the grant, issuance, retention, vesting and/or settlement of Shares under an Award of Restricted Stock that is based on performance criteria and the level of achievement versus such criteria be subject to a Performance Period of less than one year and no condition that is based solely upon continued employment or the passage of time shall provide for vesting or settlement in full of an Award of Restricted Stock over a Term of less than one year from the date the Award is granted, in each case other than as a result of or upon the death, disability or Retirement of the Participant or a change in control of the Company. Notwithstanding anything herein to the contrary, the limitations contained in the preceding sentence shall not apply to Restricted Stock that is granted in lieu of salary, cash bonus or other cash compensation or to Substitute Awards, in which case there may be no minimum Term. In addition, notwithstanding anything herein to the contrary, the Committee may grant Awards of Restricted Stock and Restricted Share Rights which fully vest prior to three years (including without limitation, prior to one year in the case of Awards of Restricted Stock or Restricted Share Rights whether or not subject to performance criteria) from the date of grant ("Shorter Vesting Awards") as determined by the Committee and evidenced in an Award Agreement provided that the aggregate number of Shares underlying all such Shorter Vesting Awards granted on or after the Effective Date under the Plan shall not exceed 5% of the aggregate number of Shares set forth in Section 4.1, as adjusted pursuant to Section 25.
- 7.3 Rights as a Stockholder. Unless the Committee provides otherwise, a Participant shall have all voting, dividend, liquidation and other rights with respect to Restricted Stock held by such Participant as if the Participant held unrestricted Shares provided that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 7.1, 7.2 and 7.4 and the limitation on dividends set forth in this Section 7.3. Any dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions and vesting schedule as the Shares to which such dividends or distributions relate. Dividends or distributions may be accumulated but shall not be paid with respect to unvested Restricted Stock unless and until the vesting conditions are satisfied.
- 7.4 Termination of Employment. Unless the Committee provides otherwise:
- (a) Due to Death or Disability. If a Participant ceases to be an Employee prior to the lapse of restrictions on Shares of Restricted Stock by reason of the Participant's death or permanent disability, all restrictions on Shares of Restricted Stock held for the Participant's benefit shall lapse in accordance with the terms of the Award as determined by the Committee.
 - (b) Due to Reasons Other Than Death or Disability. If a Participant ceases to be an Employee for any reason other than death or permanent disability, prior to the lapse of restrictions, all Shares of Restricted Stock held for the benefit of a Participant, all rights to receive dividends thereon and other stockholder rights therewith shall immediately terminate without notice of any kind and shall be forfeited by the Participant.

7.5 Other Restrictions. The Company may retain any Shares of Restricted Stock in the Company's possession or held in escrow by a designated employee or agent of the Company or any Affiliate until any restrictions and/or conditions applicable to Shares of Restricted Stock so retained have been satisfied or lapsed. Any certificate issued in respect to an Award of Restricted Stock may, at the election of the Committee, bear a legend considered appropriate by the Committee.

8. Stock Awards.

8.1 Grant. A Participant may be granted one or more Stock Awards under the Plan; provided that such Award to an Employee is granted in lieu of salary, cash bonus or other cash compensation. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee.

8.2 Rights as a Stockholder. A Participant shall have all voting, dividend, liquidation and other rights with respect to Shares issued to the Participant as a Stock Award under this Section 8 upon the Participant becoming the holder of record of the Shares granted pursuant to such Stock Award; provided that the Committee may impose such restrictions on the assignment or transfer of Shares awarded pursuant to a Stock Award as it considers appropriate.

9. Restricted Share Rights. Restricted Share Rights are Awards denominated in units under which the issuance of Shares is subject to such conditions and terms as the Committee deems appropriate. Restricted Share Rights granted pursuant to the Plan need not be identical, but each grant of Restricted Share Rights must contain and be subject to the terms and conditions set forth below.

9.1 Award Agreement. Each Award of Restricted Share Rights shall be evidenced by an Award Agreement. Each Award Agreement shall contain provisions regarding (i) the number of Restricted Share Rights subject to such Award or a formula for determining such number, (ii) the purchase price of the Shares subject to the Award, if any, and the means of payment, (iii) such terms and conditions on the grant, issuance, vesting and/or forfeiture of the Restricted Share Rights as may be determined from time to time by the Committee, (iv) any restrictions on the transferability of the Award and (v) such further terms and conditions in each case not inconsistent with this Plan as may be determined from time to time by the Committee.

9.2 Vesting and Lapse of Restrictions. The grant, issuance, retention, vesting and/or settlement of Restricted Share Rights shall occur at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain, vesting and/or settlement of Restricted Share Rights subject to continued employment, passage of time and/or such performance criteria as deemed appropriate by the Committee; provided that except as set forth in the following sentences, in no event shall the grant, issuance, retention, vesting and/or settlement of Shares under an Award of Restricted Share Rights that is based on performance criteria and the level of achievement versus such criteria be subject to a Performance Period of less than one year, and no condition that is based solely upon continued employment or the passage of time shall provide for vesting or settlement in full of an Award of Restricted Share Rights over a Term of less than one year from the date the Award is granted, in each case other than as a result of or upon the death, disability or Retirement of the Participant or a change in control of the Company. Notwithstanding anything herein to the contrary, the limitations contained in the preceding sentence shall not apply to an Award of Restricted Share Rights that is granted in lieu of salary, cash bonus or other cash compensation or to Substitute Awards, in which case there may be no minimum Term. In addition, notwithstanding anything to the contrary herein, the Committee may grant Shorter Vesting Awards as determined by the Committee and evidenced in an Award Agreement provided that the aggregate number of Shares underlying all such Shorter Vesting Awards granted on or after the Effective Date under the Plan shall not exceed 5% of the aggregate number of Shares set forth in Section 4.1, as adjusted pursuant to Section 25. Notwithstanding anything in this Section 9.2 to the contrary, settlement of Restricted Share Rights shall be completed not later than March 1 of the year after the year in which the vesting restrictions lapse on such Restricted Share Rights unless the Committee provides otherwise.

9.3 Rights as a Stockholder. Participants shall have no voting rights with respect to Shares underlying Restricted Share Rights unless and until such Shares are reflected as issued and outstanding Shares on the Company's stock ledger. Shares underlying Restricted Share Rights shall be entitled to dividend equivalents only to the extent provided by the Committee but shall not be paid with respect to unvested Restricted Stock Rights

unless and until the vesting conditions are satisfied although they may be accumulated until such time. Any dividend equivalents with respect to unvested Restricted Share Rights shall be subject to the same restrictions and vesting schedule as Restricted Share Rights to which such dividend equivalents relate.

9.4 Termination of Employment. Unless the Committee provides otherwise:

- (a) Due to Death or Disability. If a Participant ceases to be an Employee by reason of the Participant's death or permanent disability, all restrictions on the Restricted Share Rights of the Participant shall lapse in accordance with the terms of the Award as determined by the Committee.
- (b) Due to Reasons Other Than Death or Disability. If a Participant ceases to be an Employee for any reason other than death or permanent disability, all Restricted Share Rights of the Participant and all rights to receive dividend equivalents thereon shall immediately terminate without notice of any kind and shall be forfeited by the Participant.

10. Options. The Committee may grant an Option or provide for the grant of an Option, either from time-to-time in the discretion of the Committee or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance criteria (which may include Qualifying Performance Criteria). Except to the extent provided herein, no Participant (or Beneficiary of a deceased Participant) shall have any rights as a stockholder with respect to any Shares subject to an Option granted hereunder until said Shares have been issued. Options granted pursuant to the Plan need not be identical, but each Option must contain and be subject to the terms and conditions set forth below.

- 10.1 Type of Option; Number of Shares. Each Option shall be evidenced by an Award Agreement identifying the Option represented thereby as an Incentive Stock Option or Non-Qualified Stock Option, as the case may be, and the number of Shares to which the Option applies.
- 10.2 Exercise Price. The exercise price under each Option shall be established by the Committee and shall not be less than the Fair Market Value of the Shares subject to the Option on the date of grant; provided, however, that the exercise price per Share with respect to an Option that is granted in connection with a merger or other acquisition as a Substitute Award for options held by optionees of the acquired entity may be less than 100% of the Fair Market Value on the date such Option is granted. The terms and conditions of any Substitute Award are intended to meet all requirements necessary to prevent such Substitute Awards from being treated as the grant of a new stock right or a change in the form of payment within the meaning of the final regulations under Code §409A.
- 10.3 Exercisability. The Committee shall have the right to make the timing of the ability to exercise any Option subject to continued employment, the passage of time and/or such performance requirements as deemed appropriate by the Committee, provided that in no event shall any Option awarded to a Participant provide for full vesting in a period of less than one year, other than as a result of or upon the death, disability or Retirement of the Participant or a change in control of the Company.
- 10.4 Exercise Term. Each Option shall have a Term established by the Committee, provided that no Option shall be exercisable after ten years from the date of grant.
- 10.5 Payment for Shares. The exercise price of the Shares with respect to which an Option is exercised shall be payable at the time of exercise in accordance with procedures established by the Company. The exercise price of any Option may be paid in cash or, to the extent allowed by the Committee, an irrevocable commitment by a broker to pay over such amount from a sale of the Shares issuable under an Option, the delivery (either physically or by attestation) of previously-owned Shares, or a combination thereof or any other method approved by the Committee.
- 10.6 No Repricing. Other than in connection with a change in the Company's capitalization or other transaction (as described in Section 25), an Option may not be repriced without stockholder approval (including canceling previously awarded Options and regranting them with a lower exercise price, canceling outstanding Options with an exercise price less than Fair Market Value in exchange for cash or taking any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Shares are traded).
- 10.7 Incentive Stock Options. In the case of an Incentive Stock Option, each Option shall be subject to any terms, conditions and provisions as the Committee determines necessary or desirable in order to qualify the Option

as an Incentive Stock Option. Notwithstanding anything to the contrary in this Section 10, in the case of an Incentive Stock Option (a) if the Participant owns stock possessing more than 10 percent of the combined voting power of all classes of stock of the Company (a "10% Stockholder"), the exercise price of such Option must be at least 110 percent of the Fair Market Value of the common stock of the Company on the date of grant, and the Option must expire within a period of not more than five years from the date of grant, (b) termination of employment will be deemed to occur when the person to whom an Award was granted ceases to be an employee (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company and its subsidiaries and (c) the number of Shares that may be issued upon exercise of Incentive Stock Options shall not exceed the aggregate Share number stated in Section 4.1 (including adjustment as provided in Section 25). Notwithstanding anything in this Section 10 to the contrary, Options designated as Incentive Stock Options shall not be eligible for treatment under the Code as Incentive Stock Options (and shall be deemed Non-Qualified Stock Options) to the extent that either (i) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Affiliate) exceeds \$100,000, taking Options into account in the order in which they were granted, and (ii) such Options otherwise remain exercisable but are not exercised within three months of termination of employment (or such other period of time provided in Section 422 of the Code).

10.8 Termination of Employment.

- (a) Due to Death, Disability, or Retirement. If a Participant ceases to be an Employee by reason of the Participant's death, permanent disability or Retirement, each outstanding Option shall become exercisable to the extent and for such period or periods determined by the Committee but not beyond the expiration date of said Option. If a Participant dies before exercising all outstanding Options, the outstanding Options shall be exercisable by the Participant's Beneficiary.
- (b) Other Than Death, Disability, or Retirement. Unless the Committee provides otherwise, in the event a Participant ceases to be an Employee for any reason other than the Participant's death, permanent disability or Retirement, all rights of the Participant under this Plan shall immediately terminate without notice of any kind except for any post-employment exercise period set forth in the Award Agreement with respect to the vested portion of an Option.

11. Stock Appreciation Rights.

- 11.1 General. An Award of a Stock Appreciation Right shall entitle the Participant, subject to terms and conditions determined by the Committee, to receive upon exercise of the right an amount equal to or otherwise based on the excess of (a) the Fair Market Value of a Share at the time of exercise over (b) the exercise price of the right, as established by the Committee on the date the award is granted. Stock Appreciation Rights may be granted to Participants from time to time either in tandem with, or as a component of, an Option granted under Section 10, other Awards granted under the Plan or Options granted under any other Company equity compensation plan ("tandem SARs") or without reference to other Awards or Options ("freestanding SARs"). Any Stock Appreciation Right granted in tandem with an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option. The Committee may provide that the exercise of a tandem SAR will be in lieu of the exercise of the Option or Award in connection with which the tandem SAR was granted. A Stock Appreciation Right may not be exercised at any time when the per Share Fair Market Value of the Shares to which it relates does not exceed the exercise price of the Option associated with those Shares. The provisions of Stock Appreciation Rights need not be the same with respect to each grant or each recipient. All freestanding SARs shall be granted subject to the same terms and conditions applicable to Options as set forth in Section 10, and all tandem SARs shall have the same vesting, exercisability, forfeiture and termination provisions as such Award or Option to which they relate. Subject to the foregoing sentence and the terms of the Plan, the Committee may impose such other conditions or restrictions on any Stock Appreciation Right as it shall deem appropriate.
- 11.2 Exercise Price. The per Share price for exercise of Stock Appreciation Rights shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Fair Market Value of the Shares subject to the Award on the date of grant; provided, however, that the per Share exercise price with respect to a Stock Appreciation Right that is granted in connection with a merger or other acquisition as a Substitute Award for stock appreciation rights held by awardees of the acquired entity may be less than 100% of the Fair Market Value on the date such Award is granted. The terms and conditions of any Substitute Award are

intended to meet all requirements necessary to prevent such Substitute Awards from being treated as the grant of a new stock right or a change in the form of payment within the meaning of the final regulations under Code §409A.

- 11.3 No Repricing. Other than in connection with a change in the Company's capitalization or other transaction (as described in Section 25), a Stock Appreciation Right may not be repriced without stockholder approval (including canceling previously awarded Stock Appreciation Rights and regranting them with a lower exercise price, canceling outstanding Stock Appreciation Rights with an exercise price less than Fair Market Value in exchange for cash or taking any other action with respect to a Stock Appreciation Right that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the Shares are traded).
- 11.4 Termination of Employment.
- (a) Due to Death, Disability, or Retirement
 - (i) If a Participant ceases to be an Employee by reason of the Participant's death, permanent disability or Retirement, each outstanding freestanding SAR shall become exercisable to the extent and for such period or periods determined by the Committee but not beyond the expiration date of said Stock Appreciation Right.
 - (ii) If a Participant ceases to be an Employee by reason of the Participant's death, permanent disability or Retirement, each outstanding tandem SAR shall become exercisable to the extent and for such period or periods determined by the Committee but not beyond the expiration date of said Stock Appreciation Right. If a Participant dies before exercising all tandem SARs, the outstanding tandem SARs shall be exercisable by the Participant's Beneficiary.
 - (b) Other Than Death, Disability, or Retirement. Unless the Committee provides otherwise, in the event a Participant ceases to be an Employee for any reason other than the Employee's death, permanent disability or Retirement, all rights of the Participant under this Plan shall immediately terminate without notice of any kind.
- 11.5 Payment. Upon exercise of a Stock Appreciation Right, payment shall be made in the form of cash, Shares or a combination thereof as determined by the Committee at the time the Award is granted. However, notwithstanding any other provisions of this Plan, in no event may the payment (whether in cash or Shares) upon exercise of a Stock Appreciation Right exceed an amount equal to 100% of the Fair Market Value of the Shares subject to the Stock Appreciation Right at the time of grant.
12. Director Awards. The Committee shall determine all Awards to Directors. The terms and conditions of any grant to any such Director may be set forth in an Award Agreement. Directors may only be granted Awards under the Plan in accordance with this Section 12 and such Awards shall not be subject to management's discretion. From time to time, the Committee shall set the amount(s) and type(s) of Awards that shall be granted to all Directors on a periodic, nondiscriminatory basis, as well as any additional Award(s) to be granted, also on a periodic, nondiscriminatory basis, based on one or more of the following: service of a Director as the chair of a committee of the Board, service of a Director as Chairman of the Board or Lead Director, the number or type of committees of the Board on which a Director serves or the first selection or appointment of an individual to the Board as a Director. Subject to the limits set forth in Section 4.1 and the foregoing, the Committee shall pursuant to the Plan grant such Awards to Directors, as it shall from time to time determine. If a Director subsequently becomes an Employee, the service requirement of the Award can be satisfied by such subsequent employment and the Award shall not terminate solely because of the change in status.
13. Nontransferability of Rights. Unless the Committee provides otherwise with respect to transfers to a Participant's family members or to trusts or partnerships for the benefit of a Participant or the Participant's family members, (i) no rights under any Award will be assignable or transferable and no Participant or Beneficiary will have any power to anticipate, alienate, dispose of, pledge or encumber any rights under any Award, and (ii) the rights and the benefits of any Award may be exercised and received during the lifetime of the Participant only by the Participant or by the Participant's legal representative. The Participant may, by completing and executing a beneficiary designation in the form prescribed by the Company, which is delivered to and accepted by the Company, designate a beneficiary to receive any payment and/or exercise any rights with respect to outstanding Awards upon the Participant's death to

the extent such designations are permitted and enforceable under applicable law as determined by the Company. If at the time of the Participant's death there is not on file a fully effective designation of beneficiary, or if the designated beneficiary did not survive the Participant, the person or persons surviving at the time of the Participant's death in the first of the following classes of beneficiaries in which there is a survivor, shall have the right to receive any payment and/or exercise any rights with respect to outstanding Awards, share and share alike:

- (a) The Participant's spouse or domestic partner.
- (b) The Participant's biological and adopted children, except that if any of his or her children predecease the Participant but leave descendants surviving the Participant, such descendants shall take by right of representation the share their parent would have taken if living.
- (c) The Participant's parents.
- (d) The Participant's brothers and sisters.
- (e) The Participant's estate.

If a beneficiary survives the Participant but dies before receiving any payment and/or exercising any rights with respect to outstanding Awards (or the beneficiary's share of any payment and/or rights in case of more than one beneficiary), that beneficiary's share of any payment and/or rights with respect to outstanding Awards will be payable to or exercisable by the beneficiary's estate.

For all purposes under this Plan, the following terms have the meanings assigned to them below:

- (1) The term "spouse" means a person to whom the Participant is legally married at the relevant time under the laws of any U.S. or foreign jurisdiction having the legal authority to sanction marriages, including the common-law spouse of a Participant in a legally recognized common-law marriage. The term "spouse" does not include an individual who has entered into a registered domestic partnership, civil union or other similar formal relationship with a Participant recognized under the law of any U.S. or foreign jurisdiction that is not denominated as a marriage under the laws of that U.S. or foreign jurisdiction. Notwithstanding any provision of this Plan to the contrary, this provision shall be construed in accordance with Federal law.
- (2) The term "domestic partner" means a person who is not the spouse of the Participant as defined in subsection (1) of this section, but who at the relevant time is the Participant's significant other (together referred to as "partners") with whom the Participant lives and shares financial responsibility. A domestic partner may be the same gender as the Participant or of opposite gender. A person will be considered a domestic partner of the Participant if the person and the Participant are joined in a civil union (or other similar formal relationship) that is recognized as creating some or all of the rights of marriage under the laws of the state or country in which the union was created, but which is not denominated or recognized as marriage under the laws of that state or country. A person will be considered a domestic partner of the Participant if the Participant or other person can provide a domestic partnership certificate to the Plan Administrator from a city, county, state or country which offers the ability to register a domestic partnership. A person who is not joined in civil union (or similar formal relationship) and is not registered in a domestic partnership with the Participant will not be considered a domestic partner unless the Participant and/or domestic partner provide sufficient evidence to the Plan Administrator that all of the following requirements are satisfied:
 - (a) The partners have shared a single, intimate, and committed relationship of mutual caring for at least six months and intend to remain in the relationship indefinitely.
 - (b) The partners reside together in the same residence and have lived in a spouse-like relationship for at least six months.
 - (c) The partners are not related by blood or a degree of closeness which would prohibit marriage under the law of the state in which they reside.
 - (d) Neither partner is married to another person under federal, state, or common law, and neither has another domestic partner or is a member of another domestic partnership.
 - (e) Each partner is mentally competent to consent or contract.
 - (f) Both partners are at least 18 years of age.

- (g) The partners are financially interdependent, are jointly responsible for each other's basic living expenses, and are able to provide documents proving at least three of the following situations to demonstrate such financial interdependence:
 - (i) Joint ownership of real property or a common leasehold interest in real property.
 - (ii) Common ownership of an automobile.
 - (iii) Joint bank or credit accounts.
 - (iv) A will which designates the other as primary beneficiary.
 - (v) A beneficiary designation form for a retirement plan or life insurance policy signed and completed to the effect that one partner is a beneficiary of the other.
 - (vi) Designation of one partner as holding power of attorney for health care decisions for the other.

14. Termination of Employment.

- 14.1 Transfers of employment between the Company and an Affiliate, or between Affiliates, will not constitute termination of employment for purposes of any Award.
- 14.2 The Committee may specify whether any authorized leave of absence or absence for military or government service or for any other reasons will constitute a termination of employment for purposes of the Award and the Plan.
- 14.3 Notwithstanding anything in this Section 14 to the contrary, if any portion of an Award that is subject to Code §409A may be distributed upon the event of a Participant's termination of employment (including but not limited to a termination of employment that qualifies as a Retirement), the Participant will be deemed to have a termination of employment with respect to such portion of the Award if and only if the Participant has a "separation from service" within the meaning of Treas. Reg. §1.409A-1(h).

15. Qualifying Performance-Based Compensation.

- 15.1 General. The Committee may specify that all or a portion of any Award is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code; provided that the performance criteria for any portion of an Award that is intended by the Committee to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code shall be a measure based on one or more Qualifying Performance Criteria, and for Performance-Based Compensation Policy Awards shall be a measure based on one or more performance goals specified under Section 16.4 below, selected by the Committee and specified at the time such Award is granted. The Committee shall certify the extent to which any Qualifying Performance Criteria or performance goal specified under Section 16.4 below has been satisfied, and the amount payable as a result thereof, prior to payment, settlement or vesting of any Award that is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code. Notwithstanding satisfaction of any performance criteria, the number of Shares issued or the amount paid under an Award may be reduced by the Committee on the basis of such further considerations as the Committee shall determine.
- 15.2 Qualifying Performance Criteria. For purposes of this Plan, the term "Qualifying Performance Criteria" shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or Affiliate, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee, with such adjustments determined appropriate by the Committee to the extent consistent with Section 162(m) of the Code including, without limitation, to reflect extraordinary, unusual or infrequently occurring events, transactions or other items; acquired, discontinued or disposed operations; effects of changes in accounting principles, tax or other laws or requirements; regulatory capital requirements; or similar events or circumstances: (a) Earnings Per Share; (b) Business Unit Net Earnings; (c) Return on Realized Common Equity; (d) total stockholder return; (e) return on assets; (f) return on equity; or (g) capital ratios (including, but not limited to, tier 1 and Basel capital ratios).

16. Performance-Based Compensation Policy.

- 16.1 General. It is the intention of the Committee that Performance-Based Compensation Policy Awards pursuant to this Section 16 may apply to each Covered Executive Officer (as defined below).
- 16.2 Covered Executive Officers. This Policy may apply to any individual (a "Covered Executive Officer") who on the last day of the taxable year is (a) the principal executive officer of the Company or is acting in such capacity, (b) an executive officer and whose name and total compensation for the taxable year is required to be disclosed in the Company's proxy statement delivered to stockholders pursuant to Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act") by reason of the individual being among the Company's three highest compensated executive officers for the taxable year (other than by reason of being the principal executive officer or principal financial officer), (c) an executive officer and whose name and total compensation for the taxable year is included in the Summary Compensation Table for the taxable year included in the Company's proxy statement delivered to stockholders pursuant to Section 14(a) of the Exchange Act or (d) any other individual determined on or before the latest date permitted under Section 162(m) of the Code by the Committee to be eligible for a Performance-Based Compensation Policy Award under this Section 16. Whether an individual is the principal executive officer or among the three highest compensated executive officers other than the principal executive officer or principal financial officer shall be determined pursuant to the executive compensation disclosure rules under the Exchange Act. To the extent "covered employee" under Section 162(m) of the Code (including, without limitation, by subsequent interpretation or amendment) includes additional individuals with respect to the Company, such additional individuals shall also be Covered Executive Officers for purposes of this Policy.
- 16.3 Performance-Based Compensation Policy Award/Establishment of Performance Goals. A Performance-Based Compensation Policy Award to a Covered Executive Officer may be paid in the form of cash, Shares, Restricted Share Rights, or Restricted Stock, or any combination thereof. Payment of a Performance-Based Compensation Policy Award to a Covered Executive Officer will be contingent upon the attainment of one or more performance goals for the Performance Period established for such Covered Executive Officer by the Committee as provided herein. The Committee shall retain the discretion to reduce the Performance-Based Compensation Policy Award payable to a Covered Executive Officer, notwithstanding attainment of any performance goal. The Performance-Based Compensation Policy Award determined and approved by the Committee to be payable to the principal executive officer of the Company shall be submitted to the Board of Directors for ratification.
- 16.4 Performance Goals. The Committee shall establish in writing one or more performance goals to be attained for a Performance Period for each Covered Executive Officer on or before the latest date permitted under Section 162(m) of the Code. Performance goals shall mean any one or more of the following performance goals, either individually, alternatively or in combination, applied to either the Company as a whole or to a business unit or Affiliate, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee, with such adjustments determined appropriate by the Committee to the extent consistent with Section 162(m) of the Code including, without limitation, to reflect extraordinary, unusual or infrequently occurring events, transactions or other items; acquired, discontinued or disposed operations; effects of changes in accounting principles, tax or other laws or requirements; regulatory capital requirements; or similar events or circumstances: (a) Earnings Per Share; (b) Business Unit Net Earnings; (c) Return on Realized Common Equity; (d) total stockholder return; (e) return on assets; (f) return on equity; or (g) capital ratios (including, but not limited to, tier 1 and Basel capital ratios).

The maximum amount of a Performance-Based Compensation Policy Cash Award payable in any calendar year to any Covered Executive Officer shall be a dollar amount not to exceed two-tenths of one percent (0.2%) of the Company's Net Income.

17. Effective Date of the Plan.

- 17.1 Effective Date. The Plan was originally effective as of September 25, 1984 upon the approval and ratification of the Plan by the affirmative vote of the holders of a majority of the outstanding Shares of Stock present or represented and entitled to vote in person or by proxy at a meeting of the stockholders of the Company. This amendment and restatement of the Plan has been approved by the Board, but it will only become effective

(the "Effective Date") when it is approved by the Company's stockholders at the annual meeting of the Company's stockholders on April 23, 2019 or any adjournment thereof (the "2019 Annual Meeting"). If this amendment and restatement is not approved by the affirmative vote of the holders of a majority of the outstanding Shares of the Company present, or represented by proxy, and entitled to vote thereon, at the 2019 Annual Meeting in accordance with the laws of the State of Delaware and other applicable requirements, this amendment and restatement shall be void and the terms of the Plan prior to this amendment and restatement shall instead govern. This amendment and restatement of the Plan which has been approved by the Board subject to the approval of stockholders at the annual meeting of stockholders scheduled for April 23, 2019 shall not apply (and instead the terms of the Plan existing immediately prior to the amendment and restatement that would be deemed a "material modification" of such Award within the meaning of Section 409A of the Code shall apply) to Awards under the Plan that were both outstanding and vested as of December 31, 2004 if and to the extent that the application of the April 26, 2005 amendment and restatement or any subsequent amendment or amendment and restatement would be deemed a "material modification" of such Awards within the meaning of Section 409A of the Code.

- 17.2 Duration of the Plan. The Plan shall remain available for the grant of Awards until the tenth (10th) anniversary of the Effective Date. Notwithstanding the foregoing, the Plan may be terminated at such earlier time as the Board may determine. Termination of the Plan will not affect the rights and obligations of the Participants and the Company arising under Awards theretofore granted and then in effect.
18. Right to Terminate Employment or Service. Nothing in the Plan shall confer upon any Participant the right to continue in the employment or service of the Company or any Affiliate or affect any right which the Company or any Affiliate may have to terminate employment of the Participant.
19. Compliance With Laws; Listing and Registration of Shares. All Awards granted under the Plan (and all issuances of Shares or other securities or cash under the Plan) shall be subject to all applicable laws, rules, regulations and orders, including compliance with the requirements of 12 C.F.R. Part 359 and orders issued under 12 U.S.C § 1818(b), and to the requirement that if at any time the Committee shall determine that the listing, registration or qualification of the Shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Award or the issue or purchase of Shares thereunder, such Award may not be exercised in whole or in part, or the restrictions on such Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. If the exercise of an Option would be prohibited solely because the issuance of Shares would violate the registration requirements of the Securities Act of 1933, as amended, the Option shall remain exercisable until the earlier of (i) the expiration of its Term (without regard to any shortening of the Term because of termination of employment or service) and (ii) the expiration of a period of three months after the Participant's termination of employment or service during which the exercise of the Option would not be in violation of the Securities Act of 1933, as amended.
- Without amending the Plan, the Committee may grant Awards to Employees and Directors who are foreign nationals on such terms and conditions different from those specified in this Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of this Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Affiliate may operate or have Employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit this Plan to operate in a qualified or tax-efficient manner, comply with applicable foreign laws or regulations and meet the objectives of this Plan.
20. Conditions and Restrictions Upon Securities Subject to Awards. The Committee may provide that the Shares issued upon exercise of an Option or Stock Appreciation Right or otherwise subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the exercise of such Option or Stock Appreciation Right or the grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon exercise, vesting or settlement of such Award (including the actual or constructive surrender of Shares already owned by the Participant) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without

limitation (a) restrictions under an insider trading policy or pursuant to applicable law, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

21. Recoupment of Awards. All Awards (including Awards that have vested in accordance with the Award Agreement) shall be subject to the terms and conditions, if applicable, of any recoupment policy adopted by the Company from time to time or recoupment requirement imposed under applicable laws, rules or regulations or any applicable securities exchange listing standards.
22. Withholding Taxes. The Company or an Affiliate shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or an Affiliate), including all payments under this Plan, or make other arrangements for the collection of (including through the sale of Shares otherwise issuable pursuant to the applicable Award), all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Award or a disqualifying disposition of Shares received upon exercise of an Incentive Stock Option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Award. To the extent specified by the Committee, withholding may be satisfied by withholding Shares to be received upon exercise or vesting of an Award or by delivery to the Company of previously owned Shares. In addition, the Company may reasonably delay the issuance or delivery of Shares pursuant to an Award as it determines appropriate to address tax withholding and other administrative matters.
23. No Liability of Company. The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant, Beneficiary or any other person as to: (a) the non-issuance or sale of Shares as to which the Company has been unable to obtain, from any regulatory body having jurisdiction over the matter, the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; (b) any tax consequence to any Participant, Beneficiary or other person including, without limitation, due to the receipt, vesting, exercise or settlement of any Award granted hereunder; or (c) any provision of law or legal restriction that prohibits or restricts the transfer of Shares issued pursuant to any Award.
24. Amendment, Modification and Termination of the Plan. The Board, the Human Resources Committee of the Board or the Governance and Nominating Committee of the Board may at any time terminate, suspend or modify the Plan, except that the Board or Committee will not, without authorization of the stockholders of the Company, effect any change (other than through adjustment for changes in capitalization as provided in Section 25) which will reduce the exercise price of, or reprice, outstanding Options or Stock Appreciation Rights as set forth in Section 10.6 or Section 11.3 or otherwise amend the Plan in any manner requiring stockholder approval by law or under the New York Stock Exchange listing requirements.

No termination, suspension, or modification of the Plan will adversely affect in any material manner any right acquired by any Participant or any Beneficiary under an Award granted before the date of termination, suspension, or modification, unless otherwise agreed to by the Participant; but it will be conclusively presumed that any adjustment for changes in capitalization provided for in Section 25 does not adversely affect any right.

25. Adjustments.
- (a) In the event that the number of Shares shall be increased or decreased through a reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off or stock dividend, then each Share that has been authorized for issuance under the Plan, whether such Share is then currently subject to or may become subject to an Award under the Plan, as well as the per share limits set forth in Section 4, shall be adjusted by the Committee to reflect such increase or decrease, as it determines appropriate, in its sole discretion. The terms of any outstanding Award shall also be adjusted by the Committee as to price, number of Shares subject to such Award and other terms to reflect the foregoing events or similar transactions as the Committee determines appropriate, in its sole discretion.
 - (b) In the event there shall be any other change in the number or kind of outstanding Shares, or any stock or other securities into which such Shares shall have been changed, or for which it shall have been exchanged, whether by reason of a merger, consolidation or otherwise, then the Committee shall, in its sole discretion, determine the appropriate adjustment, if any, to be effected and effect such adjustment. In addition, in the event of such change described in the preceding sentence or such other change

determined by the Committee, in its sole discretion, to be a change in control for purposes of the Plan, the Committee existing prior to such change may accelerate the time or times at which any Award may be exercised and may provide for cancellation of such accelerated Awards that are not exercised within a time prescribed by the Committee in its sole discretion. Subject to Section 27, in the event of any change described in this paragraph, the Committee existing prior to such change, in its sole discretion, may provide that any Award shall terminate and an equitable cash amount as determined by the Committee in its sole discretion be paid. Without limitation on the foregoing, an amount equal to the excess (if there is an excess and zero if there is no excess) by which the Fair Market Value of the Shares subject to the Option exceeds the aggregate exercise price with respect to such Option shall constitute an equitable cash amount.

- (c) No right to purchase fractional Shares shall result from any adjustment in Awards pursuant to this Section 25. In case of any such adjustment, the Shares subject to the Award shall be rounded down to the nearest whole Share. Notice of any adjustment shall be given by the Company to each Participant, which shall have been so adjusted and such adjustment (whether or not notice is given) shall be effective and binding for all purposes of the Plan.
- (d) Any adjustment to Options or Stock Appreciation Rights made pursuant to this Section 25 is intended to satisfy all requirements necessary to prevent the adjusted Awards from being treated as the grant of a new stock right or a change in the form of payment within the meaning of the final regulations under Code §409A.
- (e) Subject to Section 27 and with respect to Awards intended to be "performance-based compensation" under Section 162(m) of the Code, to the extent such adjustments are not intended to affect the status of any Award, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or infrequently occurring events affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.

26. Severability. If any provision of this Plan is determined to be illegal or invalid (in whole or in part) for any reason, or if the Plan Administrator cannot reasonably interpret any provision so as to avoid violation of Code §409A or constructive receipt of compensation under this Plan before the actual receipt of such compensation, this Plan shall be construed and enforced as if the provision had not been included.

27. Interpretation. This Plan, as amended, is intended to satisfy the requirements of Code §409A and applicable guidance thereunder with respect to compensation payable pursuant to this Plan that was not outstanding and vested prior to January 1, 2005. It is not intended to materially modify the terms and conditions applicable to any other amounts payable pursuant to this Plan. This Plan shall be construed and administered accordingly. Therefore, to the extent an Award is subject to Code §409A, discretion otherwise permitted under the Plan is not intended to be exercised with respect to such Award in a manner which will violate the requirements of Code §409A. In addition, to the extent an Award is subject to Code §409A and payment or distribution is provided for upon termination or cessation of employment or a comparable event, such event shall be interpreted consistent with the definition of "separation from service" within the meaning of Treas. Reg. §1.409A-1(h).

Notwithstanding anything in this Plan to the contrary, to the extent required by Code §409A, payment of the portion of any Award that is subject to Code §409A shall not be accelerated pursuant to Section 25 unless the event also qualifies as a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Treas. Reg. §1.409A-3(i)(5) (a "qualifying event"). In the event payment of Shares attributable to Restricted Share Rights is accelerated pursuant to Section 25 because of a qualifying event or a qualifying event and termination of employment, such payment shall be made 30 days after the qualifying event or termination of employment, respectively.

To the extent required by Code §409A, the portion of any Restricted Share Right, Performance Share or Performance Unit Award that is subject to Code §409A and becomes payable to an Employee pursuant to a termination of employment shall be paid six months after the date of such termination of employment if the Employee is a Specified Employee.

Notwithstanding any other provision in the Plan, the Plan is not intended to modify in any material respect any Award pursuant to a written binding contract in effect on November 2, 2017 that is intended to be "performance-based compensation" under Section 162(m) of the Code.

28. No Representation Made Regarding Code §409A Compliance. Notwithstanding any other provision in the Plan, the Company makes no representations that the Awards granted under the Plan shall be exempt from or comply with Code §409A and makes no undertaking to preclude Code §409A from applying to Awards granted under the Plan.
29. Governing Law. This Plan, all Awards granted hereunder and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.