

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

Yvonne Becker, Christopher Nobles, Rosa
Ramirez, Valerie Seyler, and Jannien Weiner,

Plaintiffs,

vs.

Wells Fargo & Co.; Employee Benefit
Review Committee; Wells Fargo Bank,
National Association; and John and
Jane Does, 1-20,

Defendants.

Case No. 0:20-cv-02016 (KMM/BRT)

CLASS ACTION

PLAN OF ALLOCATION

1. The *Parties* reached an agreement to settle the lawsuit for a cash payment by *Defendants*¹ in the amount of \$32,500,000.00 (the *Qualified Settlement Fund*). The *Qualified Settlement Fund* shall remain in an interest-bearing escrow account within the meaning of 26 C.F.R. § 1.468B-1 (Treasury Regulation - Qualified settlement funds) in an FDIC-insured bank, to be established by *Class Counsel* no later than twenty-one (21) days after the *Court* enters the *Preliminary Approval Order*, and trusted by the *Escrow Agent*. This *Plan of Allocation* describes how the *Net Settlement Amount* shall be allocated among *Settlement Class* members.

¹ The capitalized italicized terms in this *Plan of Allocation* have the same meaning as they appear in the *Class Action Settlement Agreement and Release*, filed concurrently, or the capitalized italicized term is defined herein.

I. Authorized Distributions from the Qualified Settlement Fund

2. As required under the *Settlement Agreement*, within 14 days of the date that the *Court* enters the *Final Approval Order*, the *Escrow Agent* shall disburse all Court-approved attorneys' fees and expense reimbursements to *Class Counsel* from the *Qualified Settlement Fund*. Thereafter, once the *Effective Date of Settlement* has occurred, the *Settlement Administrator* shall distribute the remainder of the *Qualified Settlement Fund* as follows: (i) all *Settlement Administration Expenses* already incurred shall be paid; (ii) any *Court* approved *Case Contribution Awards* shall be distributed to the *Named Plaintiffs*; and (iii) all taxes and tax-related expenses owed shall be paid. The *Settlement Administrator* in consultation with *Class Counsel* shall then retain in the *Qualified Settlement Fund* a contingency reserve to pay any *Settlement Administration Expenses* that have not been paid as of the date of distribution of the *Final Individual Dollar Recovery* and amounts estimated by the *Settlement Administrator* for adjustments of data or calculation errors and the payment of taxes and tax-related expense not yet paid. Thereafter, the *Net Settlement Amount* shall be distributed to *Settlement Class* members who have a *Final Individual Dollar Recovery* as promptly as possible pursuant to this *Plan of Allocation*. The *Escrow Agent* will maintain the *Qualified Settlement Fund* until the final distribution of the entire *Net Settlement Fund*.

3. The *Settlement Administrator* shall be responsible for making provisions for the payment from the *Qualified Settlement Fund* of all taxes and tax expenses, if any, owed

with respect to the *Qualified Settlement Fund* and for all tax reporting, remittance, and/or withholding obligations, if any, for amounts distributed from it.²

4. As noted, after the *Effective Date of Settlement*, the *Settlement Administrator* shall cause the *Net Settlement Amount* to be allocated and distributed to all *Settlement Class* members who have a *Final Individual Dollar Recovery*. It is anticipated that the following individuals will have a *Final Individual Dollar Recovery*:

- *Current Participants* who invested in the *Challenged Funds*³: For purposes of this *Plan of Allocation*, all references to *Current Participants* include *Settlement Class* members who have a positive balance in their *Plan* accounts at the time the *Court* enters the *Final Approval Order*, as well as alternate payees who have a positive balance in their *Plan* accounts on the date the *Court* issues the *Final Approval Order*. For those *Current Participants* who invested in the *Challenged Funds*, the *Settlement Administrator* shall calculate their share of the *Net Settlement Fund*.
- *Former Participants* who invested in the *Challenged Funds*: For purposes of this *Plan of Allocation*, all references to *Former Participants* include *Settlement Class* members who have no account balance in the *Plan* at the time the *Court* enters

² *Defendants, Defendants' Counsel, and Class Counsel* have no responsibility or any liability for any taxes or tax expenses owed by, or any tax reporting or withholding obligations, if any, of the *Qualified Settlement Fund*.

³ The *Challenged Funds* are identified in the *Settlement Agreement* and are listed in Appendix A.

the *Final Approval Order*, the beneficiaries of deceased *Former Participants*, and alternate payees who no longer have a positive balance in their *Plan* accounts on the date the *Court* issues the *Final Approval Order*. For those *Former Participants* who invested in the *Challenged Funds*, the Settlement Administrator shall calculate their share of the Net Settlement Fund. However, notwithstanding anything to the contrary herein, a *Former Participant* must have a *Settlement* recovery amount that is greater than the *de minimis* amount.

5. For *Current Participants* who would receive a *Final Individual Dollar Recovery* but who died prior to receiving the *Final Individual Dollar Recovery*, the beneficiaries of such *Current Participants* will receive the recovery in an amount corresponding to the beneficiaries' entitlements under the beneficiary elections of the *Current Participants* on file with the *Plan's* current recordkeeper or under Section 2.6 of the *Plan* where the participant has not designated a beneficiary. For deceased *Former Participants*, their next of kin, in accordance with applicable state law, will receive payments by the method described herein so long as such individual provides the *Settlement Administrator* with sufficient documentation to verify his/her status as the next of kin in accordance with state law. The *Settlement Administrator* shall have sole and final responsibility to determine the amounts of the payment to a deceased *Former Participant's* next of kin in accordance with the *Plan of Allocation* and as ordered by the *Court*.

6. The *Settlement Administrator* shall have final authority to determine the *Final Individual Dollar Recovery* amount to be allocated pursuant to the *Plan of Allocation*

approved by the *Court*. All questions related to payments to *Settlement Class* members that are not resolved by the *Settlement Agreement* and/or the *Plan of Allocation* shall be resolved by the *Settlement Administrator* in its sole and exclusive discretion.

II. Allocation Method

7. The *Net Settlement Amount* is allocated in proportion to (i) the *Challenged Fund's* percentage of alleged *Total Losses*⁴ during the *Class Period*⁵ and (ii) for each *Challenged Fund*, the *Settlement Class* member's investment balances compared to the total of all *Settlement Class* members' investment balances in that *Challenged Fund* during the *Class Period*. In other words, each *Challenged Fund* receives a percentage of the *Net Settlement Fund* based on its proportion of alleged *Total Losses* among all *Challenged Funds*, and then each *Settlement Class* member receives a *Pro Rata Share*⁶ of each *Challenged Fund's* allocated amount, based on the respective *Settlement Class* member's aggregated investment balances in each of the *Challenged Funds* compared to all

⁴ *Total Losses* reflect the aggregate value of alleged fee losses at the *Plan* level for all *Challenged Funds* (i.e., total alleged fees paid Wells Fargo from a *Challenged Fund*, plus reinvestment income on those fees during the *Class Period*). However, for the Stable Value Fund, no fees were paid to Wells Fargo from such fund during the *Class Period*, and thus the Plan-level fee alleged losses are assumed to be \$100,000 to ensure a *Net Settlement Fund* allocation to the Stable Value Fund.

⁵ The *Class Period* is March 13, 2014 through the date at which the *Settlement* becomes *Final*. However, for calculation purposes, the quarterly data used in the *Plan of Allocation* includes all full quarters from March 13, 2014 until January 31, 2022 (or earlier for *Challenged Funds* that were removed from the *Plan* during the *Class Period*).

⁶ The *Settlement Class* member's *Pro Rata Share* will be calculated by dividing the value of the *Settlement Class* member's aggregate account balances in the *Challenged Fund* by the total aggregate account balances of all *Settlement Class* members in the *Challenged Fund* during the *Class Period*.

Settlement Class members' aggregated investment balances in such *Challenged Fund* for all full quarters between March 13, 2014 through the last date the Plan invested in the Challenged Fund.⁷ A *Settlement Class* member's *Preliminary Individual Dollar Recovery* is the total amount allocated to the *Settlement Class* member based on his/her *Pro Rata Share* of the *Net Settlement Fund* for all *Challenged Funds* he/she invested in; it does not include any per capita recovery re-allocated from the total *de minimis* payments.

8. The *Final Individual Dollar Recovery* shall be calculated by the *Settlement Administrator* for each *Settlement Class* member as follows, based on account information maintained and provided by the *Plan's* current and former recordkeepers through *Defendants' Counsel*:

- a) The alleged fee losses suffered by each *Challenged Fund* are calculated by summing the fees paid to Wells Fargo by the *Plan* for each of the *Challenged Funds* and then assuming that the fee sums were reinvested in the respective *Challenged Funds*.
- b) Each *Challenged Fund* will be allocated a percentage of the *Net Settlement Fund* based on that *Challenged Fund's* alleged losses compared to the alleged *Total Losses* for all *Challenged Funds*. Each *Challenged Fund's* percentage of alleged *Total Losses* is shown below⁸ and will be used to determine the amount of the *Net Settlement Fund* that will be allocated to *Settlement Class* members who invested in that *Challenged Fund*:

⁷ As noted above, the investment balance information used in the *Plan of Allocation* includes all full quarters from March 13, 2014 until January 31, 2022 (or earlier for *Challenged Funds* that were removed from the *Plan* during the *Class Period*).

⁸ The percentage of alleged *Total Losses* of each *Challenged Fund* is affected by the length of time the specific *Fund* was in the *Plan's* menu and the amount of fees of that *Challenged Fund*. In other words, *Challenged Funds* which were in the *Plan* menu for relatively short periods of time compared to other *Challenged Funds*, as well as those that had smaller expense ratios, generally have less in alleged fee losses. For example, the Wells Fargo Federated CIT was in the *Plan's* menu for only 1.5 years, whereas to the Wells Fargo Emerging Growth Fund was in the *Plan's* menu for more than 7 years, and the Wells Fargo Federated CIT charged 0.19% for fees versus the Wells Fargo Emerging Growth Fund which charged 0.75% for fees. Thus the WF Emerging Growth Fund shows substantially more in alleged fee losses than the WF Federated Cit in the table below.

Challenged Fund	Total Fees (including reinvestment)⁹	%¹⁰
WF State Street Target CITs ¹¹	\$28,956,000	35.9%
WF Causeway CIT	\$14,800,000	18.3%
WF Federated CIT	\$181,000	0.2%
WF Stable Value Fund	\$100,000	0.1%
WF Emerging Growth MF	\$33,010,000	40.9%
WF 100% Treasury MMF	\$3,663,000	4.5%
Total	\$80,710,000	100.00%

- c) The total *Net Settlement Fund* amount allocated to each of the *Challenged Funds* will be determined by multiplying each *Challenged Fund's* percentage of alleged *Total Losses* (shown above) by the total amount in the *Net Settlement Fund*. The table below illustrates a hypothetical allocation based on a *Net Settlement Fund* of \$21,000,000:

Challenged Fund	Allocation from Net Settlement Fund¹²	%¹³
WF State Street Target CITs	\$7,534,000	35.9%
WF Causeway CIT	\$3,851,000	18.3%

⁹ The values shown are rounded to thousands of dollars.

¹⁰ Because these percentages are rounded, they may not add up to 100% exactly. The Final Individual Dollar Recovery, however, will be based on the exact, non-rounded figures.

¹¹ In this table and the table below, “WF” means “Wells Fargo” and “CIT” means a “Collective Investment Trust,” which is a type of fund that commingles assets from several investors.

¹² The values shown are rounded to thousands of dollars.

¹³ Because these percentages are rounded, they may not add up to 100% exactly. The Final Individual Dollar Recovery, however, will be based on the exact, non-rounded figures.

WF Federated CIT	\$47,000	0.2%
WF Stable Value Fund	\$26,000	0.1%
WF Emerging Growth MF	\$8,589,000	40.9%
WF 100% Treasury MMF	\$953,000	4.5%
Total	\$21,000,000	100.0%

- d) For each *Settlement Class* member invested in a *Challenged Fund*, their *Pro Rata Share* of the *Net Settlement Fund* amount allocated to that *Challenged Fund* will be determined
- e) For each *Settlement Class* member invested in a *Challenged Fund*, the amount of their recovery from each *Challenged Fund* will be determined by multiplying their *Pro Rata Share* by the *Net Settlement Fund* amount that is allocated to that *Challenged Fund*.
- f) For each *Settlement Class* member, the aggregate of all recovery amounts for all *Challenged Funds* held by that *Settlement Class* member will be determined and will reflect the *Settlement Class* member's *Preliminary Individual Dollar Recovery*.
- g) For *Former Participants*, the *Settlement Administrator* shall determine if the *Preliminary Individual Dollar Recovery* amount is \$5.00 or more. If not, then the *Final Individual Dollar Recovery* for *Former Participants* will be zero for all purposes, because it is considered a *de minimis* recovery.
- h) The aggregate value of all *de minimis* recoveries will then be re-allocated to all other *Settlement Class* members (i.e., *Current Participants*, and *Former Participants* with a *Preliminary Individual Dollar Recovery* of \$5.00 or more) on a per capita basis. For those *Settlement Class* members, this amount (from the total *de minimis* recoveries) will be added to his/her *Preliminary Individual Dollar Recovery* amount, which will be the *Settlement Class* member's *Final Individual Dollar Recovery*.

A. **Data Used to Calculate *Final Individual Dollar Recoveries***

9. The *Plan of Allocation* is based on the *Plan's* monthly investment balances in the *Challenged Funds*, the monthly returns of the *Challenged Funds*, and the quarterly account balances of all individual *Settlement Class* members who invested in the *Challenged Funds* during the *Class Period*. Because the *Challenged Funds* were added to and removed from the *Plan's* fund menu at different times, the number of quarters used to

calculate a *Settlement Class* member's *Pro Rata Share* of each *Challenged Fund's* alleged losses will vary among the *Challenged Funds*. For example, the Wells Fargo/Federated Total Return Bond CIT (the "Federated CIT") was added to the *Plan* menu in December of 2018 and removed in July 2020, meaning that the Federated CIT was only in the *Plan* menu for approximately 1.5 years, which are the only quarters for which individual and *Plan* balances are relevant.

10. In addition, because three of the *Challenged Funds* (Wells Fargo Emerging Growth Fund, Wells Fargo/Causeway International Value CIT, and the Wells Fargo/Federated Total Return Bond CIT) were component funds of a multi-manager fund option offered by the *Plan*, each *Settlement Class* member's balance in these *Challenged* component funds will be calculated by multiplying the *Settlement Class* member's quarterly balances in the applicable multi-manager fund option by allocation of that multi-manager fund to Wells Fargo Emerging Growth Fund, Wells Fargo/Causeway International Value CIT, or the Wells Fargo/Federated Total Return Bond CIT, respectively.

III. Distribution of Net Settlement Amount

11. As soon as reasonably possible after the entry of the *Final Approval Order*, *Defense Counsel* shall provide *Class Counsel* and the *Settlement Administrator* with the following information for all *Settlement Class* members who invested in the *Challenged Funds*: names, addresses, email addresses, individual account holdings for the *Challenged Funds* (hereinafter the "*Plan Data*") throughout the *Class Period* in electronic spreadsheet format.

12. The *Settlement Administrator* shall utilize the *Allocation Method* described above for (1) making the required payments to *Former Participants* via check or roll-over distributions (when provided valid roll-over instructions); and (2) instructing the *Plan's* recordkeeper as to the amount of the *Net Settlement Fund* to deposit in the *Plan's* trust and the *Final Individual Dollar Recovery* amounts to be allocated to *Current Participants* to fulfill this instruction.

13. The total amount of all tax-qualified rollovers or checks to be distributed by the *Settlement Administrator* to *Former Participants*, plus the total amount of all allocations that the *Plan's* recordkeeper is instructed to make to *Current Participants* may not exceed the *Net Settlement Amount*. In the event that the *Settlement Administrator* determines that the *Plan of Allocation* total would otherwise exceed the *Net Settlement Fund*, the *Settlement Administrator* is authorized to make such pro rata changes as are necessary to the *Plan of Allocation* such that said totals do not exceed the amounts in the *Net Settlement Fund*.

14. Within 14 days after the *Effective Date* (unless *Class Counsel* direct the *Settlement Administrator* in writing to use a later date), the *Settlement Administrator* shall provide to *Class Counsel* a preliminary electronic file drawn from the *Plan Data* (in the form of a spreadsheet) with the following information for each *Settlement Class* member who invested in the *Challenged Funds*: (i) name; (ii) best available address; (iii) best available email address (if applicable); (iv) status as *Current Participant* or *Former Participant*; and (v) amount of the *Final Individual Dollar Recovery* for each *Settlement Class* member calculated pursuant to the *Allocation Method*. *Class Counsel* will promptly

share this file with *Defense Counsel*. The *Parties* will work cooperatively and in good faith to resolve any issues related to this preliminary electronic file.

15. Within 30 days after *Class Counsel* receive the preliminary electronic file, unless *Class Counsel* direct a different date in writing, the *Settlement Administrator* will provide to *Class Counsel* an final electronic file containing, for each *Settlement Class* member, the following information: (i) name; (ii) best available address; (iii) best available email address (if applicable); (iv) status as *Current Participant* or *Former Participant*; and (v) amount of the *Final Individual Dollar Recovery* for each *Settlement Class* member calculated pursuant to the *Allocation Method*, which is the *Plan Distribution Allocation File*. *Class Counsel* will promptly provide the *Plan Distribution Allocation File* to *Defense Counsel*. The *Parties* will work cooperatively and in good faith to resolve any issues related to this *Plan Distribution Allocation File*.

A. **Current Participants**

16. In all events, the *Settlement Administrator* shall complete all payment calculations for all *Current Participants* who have a *Final Individual Dollar Recovery* by no later than within forty-five (45) days after the *Settlement Effective Date*.

17. Within seven (7) days after the *Settlement Administrator* has completed all payment calculations for all *Current Participants*, the *Settlement Administrator* will provide the recordkeeper for the *Plan* with an Excel spreadsheet containing the name, Social Security number, and amount of the final *Final Individual Dollar Recovery* amounts to be made into the *Current Participants* active accounts in the *Plan*.

18. Thereafter, within fourteen (14) days written notice to the *Plan Administrator*, the *Settlement Administrator* shall effect a transfer from the *Net Settlement Fund* to the *Plan's* trustee of the aggregate amount of all final *Settlement* payments payable to *Current Participants*, as reflected in the *Plan Distribution Allocation File* provided by the *Settlement Administrator*. No taxes will be withheld from the final *Settlement* payments made to *Current Participants*. The *Plan's* trustee will credit the individual accounts of each *Current Participant* in an amount equal to that stated on the spreadsheet provided by the *Settlement Administrator* for all *Current Participants*.

19. The *Settlement* payment for each *Current Participant* will be invested in accordance with and proportionate to such *Current Participant's* investment elections then on file. If there is no investment election on file for any *Current Participant*, then such *Current Participant* shall be deemed to have directed such payment to be invested in the *Plan's* "Qualified Default Investment Alternative," which is the age-appropriate State Street Conservative Target Retirement Non-Lending Series Fund Class P (the "Target Date Fund series").

20. The *Parties* to the *Settlement* understand the *Plan's* recordkeeper is not exercising discretion when receiving direction from the *Settlement Administrator* to allocate *Settlement* payments to *Current Participants*, and the recordkeeper will process these allocations of *Settlement* payments to *Current Participants* within thirty (30) days of receiving the wire transfer from the *Settlement Administrator* for the total *Settlement* payments for *Current Participants*.

B. **Former Participants**

21. *Former Participants* who have a *Final Individual Dollar Recovery* will have the opportunity to elect a tax-qualified rollover of his/her *Settlement* payment into an individual retirement account or other eligible employment plan, which means that no taxes will be withheld from the *Settlement* payment. To make a rollover election, the *Former Participant* must timely and properly complete a *Former Participant Rollover Form* on the *Settlement* website by the deadline to the Settlement Administrator to effect the rollover, in which case he/she is considered a “Rollover Electing” *Former Participant*.¹⁴ If no rollover election is made at least 20 days prior to the Fairness Hearing, then the participant is considered a “Non-Rollover / Check Receiving” *Former Participant*.

22. The method of payment for *Former Participants* will be as follows:

(i) **Rollover-Electing *Former Participant***. Upon completing the calculations above, and no later than sixty (60) days following the *Effective Date of the Settlement*, the *Settlement Administrator* shall effect a rollover from the *Net Settlement Fund* to the individual retirement account or other eligible employer plan elected by each Rollover-Electing *Former Participant* on their “Former Participant Rollover Form” (if the

¹⁴ As set forth in the *Settlement Agreement*, the *Settlement Administrator* shall mail by first class mail or by electronic means the *Class Notice* to all *Settlement Class members*. *Settlement Class members* with email addresses on file with the Plan’s recordkeeper will be sent the *Class Notice* by email. *Settlement Class members* without an email address on file or whose email address is not current will be sent the *Class Notice* by first class mail. The *Class Notice* will direct *Former Participants* to the *Settlement* website in order to find the *Former Participant Rollover Form*.

conditions and deadlines for such rollover are satisfied). If the *Settlement Administrator* is unable to effectuate the rollover instructions of any Rollover-Electing *Former Participant* as provided on his or her Former Participant Rollover Form, he or she will be treated as a Non-Rollover / Check Receiving *Former Participant*.

(ii) **Non-Rollover / Check Receiving *Former Participant***. For *Former Participants* who do not elect a rollover, or who fail to satisfactorily or timely elect a rollover, the *Settlement Administrator* will issue a single check for the amount of their Final Individual Dollar Recovery less any applicable 1099 taxes and will mail the check to the best available address on file for such *Former Participant* or, in the case of ambiguity or uncertainty, to the address of such person as determined by the *Settlement Administrator* using commercially reasonable means. For each check issued, the *Settlement Administrator* shall: (i) calculate and withhold any applicable taxes associated with the payments allocable to the *Former Participant*; (ii) report such payments and remit such tax withholdings to the Internal Revenue Service and applicable state revenue agents; and (iii) issue appropriate tax forms to the *Former Participants*.

23. Upon issuing the check to the *Former Participant*, in a letter accompanying such check, the *Settlement Administrator* shall advise the *Former Participants* that they alone bear responsibility for complying with any *Qualified Domestic Relations Order* that may apply to the *Settlement* payment.

24. In order to help ensure that checks are sent to the best available addresses of Non-Rollover/Check Receiving *Former Participants*, the following additional steps will occur: 1) the *Plan's* recordkeeper will provide the mailing address for each *Former*

Participant in its possession; 2) prior to the checks being issued, the *Settlement Administrator* will update all mailing addresses using the National Change of Address Database; 3) for checks that are returned as undeliverable, the *Settlement Administrator* shall attempt to find updated address information for the *Former Participant* and resend the check to the updated address if available; and 4) for each *Former Participant* whose check has not been returned as undeliverable but was not cashed within approximately sixty (60) days of the issue date of the check, the *Settlement Administrator* will a) send an email reminder to the *Former Participant* (if email is available) that all uncashed checks will be voided one hundred twenty (120) days after their issue date, and b) the *Settlement Administrator* will perform a one-time skip-trace in order to see if another mailing address is available, and, if appropriate, reissue the check.

IV. **Final Settlement Administration**

25. All checks issued shall expire no later than one hundred twenty (120) days after their issue date. In accordance with the *Plan of Allocation*, all checks that are not cashed before their expiration date shall revert to the *Qualified Settlement Fund* for distribution as stated in this Section.

26. No sooner than one hundred fifty (150) days following the distribution of all checks to *Former Participants*, any *Net Settlement Fund* remaining in the *Qualified Settlement Fund* after distributions, including any unused amounts of the contingency reserve, undelivered and uncashed checks, and costs, taxes and interest earned on the *Qualified Settlement Fund*, shall be paid to the *Plan* and distributed by the *Plan's* recordkeeper across *Current Participants* on a per capita basis. In no event shall any part

of the *Net Settlement Fund* be used to reimburse any *Defendants* or otherwise offset settlement-related costs incurred by any *Defendant*. All Former Participants that fail to elect a rollover and fail to timely cash their Settlement recovery checks are barred from filing claims for benefits with the Plan for their Final Individual Dollar Recovery and those claims for benefits will be denied in accordance with this Section.

V. Tax-Related Issues and General Responsibilities

27. The payments made from the *Qualified Settlement Fund* to effect settlement distributions to *Settlement Class* members are intended to constitute restorative payments in accordance with Revenue Ruling 2002-45.

28. The *Defendants*, *Defense Counsel*, *Class Counsel*, and *Class Representatives* will provide no tax advice to the *Settlement Class* members and make no representation regarding the tax consequences of any of the *Settlement* payments described in the *Settlement Agreement*. To the extent that any portion of any *Settlement* payment is subject to income or other tax, the recipient of the payment shall be responsible for payment of such tax; however, deductions will be made, and reporting will be performed by the *Settlement Administrator*, as required by law in respect of all payments made under the *Settlement Agreement*.

29. Each *Settlement Class* member who receives a payment under this *Settlement* shall be fully and ultimately responsible for payment of any and all federal, state, or local taxes resulting from or attributable to the payment received by such person. Each *Settlement Class* member shall hold *Defendants*, the *Released Parties*, *Defendants'* *Released Parties*, *Defendants' Counsel*, *Class Counsel*, the *Named Plaintiffs*, and the

Settlement Administrator harmless from any tax liability, including penalties and interest, related in any way to payments under the *Settlement Agreement*, and shall hold *Defendants*, the *Released Parties*, *Defendants' Released Parties*, *Defendants' Counsel*, *Class Counsel*, the *Named Plaintiffs*, and the *Settlement Administrator* harmless from the costs (including, for example, attorneys' fees and disbursements) of any proceedings (including, for example, investigation and suit), related to such tax liability.

30. Neither the *Parties*, *Class Counsel*, *Named Plaintiffs*, nor *Defense Counsel* shall have any responsibility or liability whatsoever with respect to: (i) any act, omission, or determination of the *Settlement Administrator*, or any of their respective designees or agents, in connection with the administration of the *Qualified Settlement Fund* or otherwise; (ii) the management, investment, or distribution of the *Qualified Settlement Fund*; (iii) the administration or allocation of the *Net Settlement Amount*; (iv) the determination, administration, calculation, or payment of any claims asserted against the *Qualified Settlement Fund*; (v) any losses suffered by, or fluctuations in the value of, the *Qualified Settlement Fund*; or (vi) the payment or withholding of any taxes and/or expenses incurred in connection with the taxation of the *Qualified Settlement Fund* or tax reporting, or the filing of any Tax Filings.

31. Within twenty-eight (28) days following the issuance of all *Settlement* payments to *Settlement Class* members as provided by the *Plan of Allocation* approved by the *Court*, the *Settlement Administrator* shall prepare and provide to *Class Counsel* and *Defendants' Counsel* a list of each person who received a *Settlement* payment or

contribution from the *Qualified Settlement Fund* and the amount of such payment or contribution.

32. No later than February 15 of the year following the calendar year in which Wells Fargo transfers \$32,500,000.00 to the *Qualified Settlement Fund*, it will furnish a statement to the *Settlement Administrator* that complies with 26 C.F.R. § 1.468B-3(e)(2), which may be a combined statement under 26 C.F.R. § 1.468B3(e)(2)(ii), and shall attach a copy of the statement to their federal income tax returns filed for the taxable year in which Wells Fargo transfers funds into the *Qualified Settlement Fund*.

VI. Modifications

33. The *Court* may approve the *Plan of Allocation*, or modify it, without additional notice to the *Settlement Class* members. Any order modifying the *Plan of Allocation* will be posted on the *Settlement* website, within ten (10) days of the modification.

Appendix A: Challenged Funds

Wells Fargo/State Street Target Today CIT,
Wells Fargo/State Street Target 2010 CIT,
Wells Fargo/State Street Target 2015 CIT,
Wells Fargo/State Street Target 2020 CIT,
Wells Fargo/State Street Target 2025 CIT,
Wells Fargo/State Street Target 2030 CIT,
Wells Fargo/State Street Target 2035 CIT,
Wells Fargo/State Street Target 2040 CIT,
Wells Fargo/State Street Target 2045 CIT,
Wells Fargo/State Street Target 2050 CIT,
Wells Fargo/State Street Target 2055 CIT,
Wells Fargo/State Street Target 2060 CIT,
Wells Fargo/State Street Target 2065 CIT,
Wells Fargo Emerging Growth Fund,
Wells Fargo/Causeway International Value CIT,
Wells Fargo/Federated Total Return Bond CIT,
Wells Fargo 100% Treasury Money Market Fund,
Wells Fargo Stable Value Fund,

Dated: April 1, 2022

By: /s/ Michelle C. Yau

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