

WACHOVIA CORP NEW

Form DEF 14A

March 09, 2007

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**Schedule 14A
(Rule 14A-101)
Information Required In Proxy Statement
SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934
(AMENDMENT NO.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

WACHOVIA CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (Check the appropriate box):

- No fee required
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 - 1) Title of each class of securities to which transaction applies:

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 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- 1) Amount Previously Paid:

 - 2) Form, Schedule or Registration Statement No.:

 - 3) Filing Party:

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-

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March 9, 2007

Dear Stockholder:

On behalf of the board of directors, we are pleased to invite you to the Annual Meeting of Stockholders in Charlotte, North Carolina, on Tuesday, April 17, 2007, at 9:30 a.m. The notice of meeting and proxy statement on the following pages contain information about the meeting.

In addition to the matters contained in this proxy statement, we will also review operating results for the past year and present other information concerning Wachovia. The meeting should be interesting and informative, and we hope you will be able to attend.

We are again pleased to offer record holders of common stock (those who hold shares directly registered in their own names and not in the name of a bank, broker or other nominee) the option of voting through the telephone or Internet.

In order to ensure your shares are voted at the meeting, please return the enclosed proxy card at your earliest convenience or vote through the telephone or Internet. Voting procedures are described on the proxy card. Every stockholder's vote is important.

Sincerely yours,

G. Kennedy Thompson
Chairman, President and Chief Executive Officer

Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288

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Wachovia Corporation

301 South College Street, Charlotte, North Carolina 28288

**NOTICE OF ANNUAL MEETING
TO BE HELD ON APRIL 17, 2007**

March 9, 2007

The Annual Meeting of Stockholders will be held at the Charlotte Convention Center, 501 South College Street, Charlotte, North Carolina 28202, on Tuesday, April 17, 2007, at 9:30 a.m., to consider the following:

A Wachovia proposal to elect the eight nominees named in the attached proxy statement as directors, six nominees to serve as Class III directors with terms expiring at the 2010 Annual Meeting of Stockholders, one nominee to serve as a Class II director with a term expiring at the 2009 Annual Meeting of Stockholders, and one nominee to serve as a Class I director with a term expiring at the 2008 Annual Meeting of Stockholders, in each case until their successors are duly elected and qualified.

A Wachovia proposal to amend Wachovia's articles of incorporation to eliminate the provisions classifying the terms of its board of directors.

A Wachovia proposal to amend Wachovia's articles of incorporation to provide for majority voting in uncontested director elections.

A Wachovia proposal to ratify the appointment of KPMG LLP as auditors for the year 2007.

A number of stockholder proposals, which management and Wachovia's board of directors oppose.

Such other business as may properly come before the meeting or any adjournments.

Only holders of record of Wachovia common stock on February 12, 2007, are entitled to notice of and to vote at the meeting.

By order of the board of directors,

Mark C. Treanor
Secretary

Whether or not you plan to attend, please either return the enclosed proxy card or vote through the telephone or Internet voting procedures described on your proxy card, to ensure your shares are voted at the meeting. Your vote is important, whether you own a few shares or many.

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PROXY STATEMENT

General Information

The enclosed proxy card is solicited on behalf of the board of directors in connection with the Annual Meeting of Stockholders to be held at the Charlotte Convention Center, 501 South College Street, Charlotte, North Carolina 28202, on Tuesday, April 17, 2007, at 9:30 a.m., and at any adjournment, referred to as the meeting. The proxy may be used whether or not you attend the meeting. If you are a registered stockholder (that is, you hold shares directly registered in your own name), you may also vote by telephone or through the Internet, by following the instructions described on your proxy card. If your shares are held in the name of a bank, broker or other nominee, referred to as street name, you will receive separate voting instructions with your proxy materials. Although most brokers and nominees offer telephone and Internet voting, availability and specific procedures will depend on their voting arrangements.

This proxy statement, the enclosed proxy card and Wachovia's 2006 Annual Report to Stockholders are being first mailed to our stockholders on or about March 9, 2007.

The merger of Wachovia Corporation (legacy Wachovia) and First Union Corporation (legacy First Union) was effective September 1, 2001. As the surviving corporate entity in the merger, legacy First Union changed its name to Wachovia Corporation on the date of the merger. Whenever we use the Wachovia name in this proxy statement, we mean the combined company and, before the merger, legacy First Union, unless indicated otherwise.

Your vote is very important. For this reason, the board of directors is requesting that you permit your common stock to be represented at the meeting by the individuals named on the enclosed proxy card. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

ABOUT THE MEETING

Who Can Vote

You may vote if you owned Wachovia common stock as of the close of business on the record date, February 12, 2007. Each share of Wachovia common stock is entitled to one vote. At the close of business on February 12, 2007, 1,906,881,015 shares of Wachovia common stock were outstanding and eligible to vote. The enclosed proxy card shows the number of shares that you are entitled to vote. If you own any shares in Wachovia's Dividend Reinvestment and Stock Purchase Plan, the enclosed proxy includes the number of shares you have in that plan on the record date for the meeting, as well as the number of shares directly registered in your name, including those held through our direct registration service. Your individual vote is confidential and will not be disclosed to persons other than those recording the vote or as applicable law may require.

How Do I Vote

You have four voting options:

Over the Internet, which we encourage if you have Internet access, at the address shown on your proxy card;

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By telephone through the number shown on your proxy card;

By mail by completing, signing, dating and returning the enclosed proxy card; or

By attending the meeting and voting your shares in person.

Even if you plan to attend the meeting, we encourage you to vote your shares by proxy. If you choose to attend the meeting, please bring proof of stock ownership and proof of identification for entrance to the meeting.

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If you hold your Wachovia shares in nominee or street name, your ability to vote by Internet or telephone depends on the voting process of the bank, broker or other nominee. Please follow their directions carefully. If you want to vote Wachovia shares that you hold in street name at the meeting, you must request a legal proxy from your bank, broker or other nominee that holds your shares and present that proxy and proof of identification for entrance to the meeting.

Every vote is important! Please vote your shares promptly.

What Am I Voting On

There are eight proposals that will be presented for your consideration at the meeting:

Electing eight directors;

Amending Wachovia's articles of incorporation to eliminate the provisions classifying the terms of our board of directors;

Amending Wachovia's articles of incorporation to provide for majority voting in uncontested director elections;

Ratifying the appointment of KPMG LLP as Wachovia's auditors for 2007;

If properly presented, four stockholder proposals:

Regarding a non-binding stockholder vote ratifying executive compensation;

Regarding qualifications of director nominees;

Regarding reporting political contributions; and

Regarding separating the offices of Chairman and Chief Executive Officer.

The first four proposals have been submitted on behalf of Wachovia's board of directors. The remaining proposals have been submitted on behalf of certain stockholders. Other business may be addressed at the meeting if it properly comes before the meeting. However, we are not aware of any such other business.

Can I Change My Vote

You may revoke your proxy and change your vote at any time before the time voting begins on any proposal. You may do this by either giving our Corporate Secretary written notice of your revocation, submitting a new signed proxy card with a later date, voting on a later date by telephone or by the Internet (only your last telephone or Internet proxy is counted), or by attending the meeting and voting in person. However, your attendance at the meeting will not automatically revoke your proxy; you must specifically revoke your proxy. If your shares are held in nominee or street name, you should contact your bank, broker or other nominee regarding the revocation of proxies or, if you have obtained a legal proxy from your bank, broker or other nominee giving you the right to vote your shares, you may change your vote by attending the meeting and voting in person.

Quorum Needed To Hold The Meeting

In order to conduct the meeting, a majority of Wachovia shares entitled to vote must be present in person or by proxy. This is called a quorum. If you return valid proxy instructions or vote in person at the meeting, you will be considered part of the quorum. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. New York Stock Exchange (NYSE) rules allow banks, brokers or other nominees to vote shares held by them for a customer on matters that the NYSE determines to be routine, even though the bank, broker or nominee has not received instructions from the customer. A broker non-vote occurs when a bank, broker or other nominee has not received voting instructions from the customer and the bank, broker or nominee cannot vote the customer s shares because the matter is not considered routine under NYSE rules.

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Counting Your Vote

If you provide specific voting instructions, your shares will be voted as instructed. If you hold shares in your name and sign and return a proxy card or vote by telephone or Internet without giving specific voting instructions, your shares will be voted as recommended by our board of directors. If you hold your shares in your name and do not return valid proxy instructions or vote in person at the meeting, your shares will not be voted. If you hold your Wachovia shares in the name of a bank, broker or other nominee, and you do not give that nominee instructions on how you want your shares to be voted, the nominee generally has the authority to vote your shares on certain routine matters as described above. At the meeting, proposals 1, 2, 3 and 4 are deemed routine which means that the nominee can vote your shares on those proposals if you do not timely provide instructions for voting your shares. However, the remaining proposals are deemed non-routine which means that the nominee cannot vote your shares on those proposals if you do not timely provide instructions for voting your shares.

What Vote Is Needed

Directors are elected by a plurality of the votes cast at the meeting. Plurality means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors who are nominated to be elected at the meeting. Shares cannot be voted for a greater number of persons than the number of nominees named in this proxy statement, and at our meeting the maximum number of directors to be elected is eight. Shares not voted, whether by marking ABSTAIN on your proxy card or otherwise, will have no impact on the election of directors. Unless a properly executed proxy card is marked WITHHOLD authority as to any or all nominees, the proxy given will be voted FOR each of the nominees for director.

In February 2006, our board of directors amended its Corporate Governance Guidelines to provide for a new policy regarding director elections. The policy provides that in an uncontested election, any nominee for director who receives a greater number of votes withheld for his or her election than votes for his or her election must promptly tender his or her resignation to the Corporate Governance & Nominating Committee. The Corporate Governance & Nominating Committee will consider the resignation and recommend to the board whether to accept or reject it. The board will act on the Corporate Governance & Nominating Committee's recommendation within 90 days following the date of the stockholders' meeting at which the election occurred, and will promptly disclose its decision, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in a publicly filed SEC filing. Any director tendering his or her resignation would not participate in the Corporate Governance & Nominating Committee's and the board's deliberations. In deciding whether to accept or reject any tendered resignation, the Corporate Governance & Nominating Committee and the board will consider all factors they deem relevant, including the reasons, if known, why stockholders withheld or were requested to withhold votes from the director, the director's length of service and qualifications, the director's contributions to Wachovia, and the current mix of skills and attributes of the directors on the board. If the board does not accept a tendered resignation, it may elect to address the underlying stockholder concerns related to withheld votes or take any other action it deems appropriate and in the best interests of Wachovia and its stockholders. If a majority of the members of the Corporate Governance & Nominating Committee received a majority withheld vote at the same election, then one or more independent directors who did not receive a majority withheld vote would be added to the Corporate Governance & Nominating Committee, or a special committee of independent directors would be formed to consider resignation offers. This policy will be in effect for the vote on Proposal 1 at the meeting. As described in Proposal 3, our board is proposing to amend Wachovia's articles of incorporation to provide for majority voting in uncontested director elections. If stockholders approve Proposal 3 at the meeting, the new majority vote standard would apply in uncontested elections of directors following the meeting. See Proposal 3 .

For Proposal 2, Wachovia's articles of incorporation require that at least 80% of the shares outstanding and entitled to vote at the meeting must vote in favor of amending the articles of incorporation to eliminate

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the provisions classifying the terms of our board of directors. Abstentions and votes not cast will have the same effect as votes against Proposal 2. Therefore, the board urges stockholders to vote their shares.

A majority of votes cast at the meeting is required to approve the remaining proposals, including Proposal 3 to amend our articles of incorporation to provide for majority voting in uncontested director elections. Abstentions will not be counted as votes cast for these proposals. In addition, broker non-votes will not be counted as votes cast for Proposals 5-8.

Our Voting Recommendations

Our board of directors recommends that you vote:

FOR each of our nominees to the board of directors;

FOR amending our articles of incorporation to eliminate the provisions classifying the terms of our board of directors;

FOR amending our articles of incorporation to provide for majority voting in uncontested director elections;

FOR ratifying KPMG LLP as our auditors;

AGAINST the stockholder proposal regarding a non-binding stockholder vote ratifying executive compensation;

AGAINST the stockholder proposal regarding qualifications of director nominees;

AGAINST the stockholder proposal regarding reporting political contributions; and

AGAINST the stockholder proposal regarding separating the offices of Chairman and Chief Executive Officer.

Proxy cards that are timely signed, dated and returned but do not contain instructions on how you want to vote will be voted in accordance with our board of directors' recommendations.

Voting Results

The preliminary voting results will be announced at the meeting. The final voting results will be published in our quarterly report on Form 10-Q for the first quarter of fiscal year 2007.

Cost of This Proxy Solicitation

Wachovia will pay the costs of the solicitation. We have hired Georgeson Inc. as proxy solicitors to assist in the proxy solicitation and tabulation. Their base fee is \$22,500, plus expenses and an additional fee per proxy tabulated. We may also, upon request, reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding voting materials to their customers who are beneficial owners and obtaining their voting instructions. In addition to Wachovia soliciting proxies by mail, over the Internet and by the telephone, our board members, officers and employees may solicit proxies on our behalf, without additional compensation.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to our stockholders, we are relying upon SEC rules that permit us to deliver only one proxy statement and annual report to multiple stockholders who share an address unless we received contrary instructions from any stockholder at that address. If you share an address with another stockholder and have received only one proxy statement and annual report, you may write or call us as specified below to request a separate copy of these materials and we will promptly send them to you at no cost to you. For future meetings, if you hold shares directly registered in your own name, you may request separate copies of our proxy statement and annual report, or request that we send only one set of these materials to you if you are receiving multiple copies, by contacting us at:

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Investor Relations, Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288-0206, or by telephoning us at (704) 374-6782. If your shares are held in the name of a bank, broker, or other nominee and you wish to receive separate copies of our proxy statement and annual report, or request that they send only one set of these materials to you if you are receiving multiple copies, please contact the bank, broker or other nominee.

Electronic Delivery of Proxy Materials

You can also access Wachovia's proxy statement and 2006 Annual Report on Form 10-K, which includes our annual report to stockholders, via the Internet at www.wachovia.com under the tab "About Wachovia Investor Relations". For next year's stockholders' meeting, you can help us save significant printing and mailing expenses by consenting to access the proxy statement, proxy card and annual report electronically over the Internet. If you hold your shares in your own name (instead of through a bank, broker or other nominee), you can choose this option by following the instructions at the Internet voting website at <http://proxy.georgeson.com>, which has been established for you to vote your shares for the meeting. If you choose to receive your proxy materials and annual report electronically, then prior to next year's stockholders' meeting you will receive an e-mail notification when the proxy materials and annual report are available for on-line review over the Internet, as well as the instructions for voting electronically over the Internet. Your choice for electronic distribution will remain in effect until you revoke it by sending a written request to: Investor Relations, Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288-0206. New SEC rules, which will be in effect for next year's stockholders' meeting, also will permit us to deliver your proxy materials to you electronically over the Internet.

A copy of our 2006 Annual Report on Form 10-K will be provided to you without charge (except for exhibits) upon written request to Wachovia Corporation, Investor Relations, 301 South College Street, Charlotte, NC 28288-0206.

PROPOSAL 1. ELECTION OF DIRECTORS

General Information and Nominees

Our articles of incorporation require Wachovia's board of directors to be divided into three classes. At each annual meeting of stockholders, you elect the members of one of the three classes to three-year terms. Our directors determine the size of the board, but the total number of directors cannot be fewer than nine or more than 30. For purposes of the meeting, the number of directors is fixed at 18, with six directors in Class I, six directors in Class II, and six directors in Class III.

The terms of the directors serving in Class III will expire at the meeting and the terms of the directors serving in Classes I and II will expire at the 2008 and 2009 annual meetings of stockholders, respectively. Robert J. Brown, currently a Class III director, will retire as a director as of the meeting and consequently will not stand for election at the meeting.

John T. Casteen, III, Maryellen C. Herringer, Joseph Neubauer, Timothy D. Proctor, Van L. Richey, and Dona Davis Young are being nominated to serve as directors of Class III with terms expiring at the 2010 annual meeting of stockholders. Mr. Richey currently serves as a Class I director and is moving to Class III to keep the size of each class as equal as possible. Jerry Gitt is being nominated to serve as a director in Class II with a term expiring at the 2009 annual meeting of stockholders, and Ernest S. Rady, currently a Class III director, is being nominated to serve as a director in Class I with a term expiring at the 2008 annual meeting of stockholders.

The board, with the assistance of the Corporate Governance & Nominating Committee, has conducted an evaluation of whether Wachovia's classified board structure continues to be in the best interests of Wachovia and its stockholders.

In conducting its evaluation, the board considered that the general purposes of the classified board are to promote stability and continuity in leadership on the board and provide the board with a greater opportunity to protect the interests of stockholders from abusive takeover tactics in the event of an unsolicited takeover offer. The board also considered that some corporate governance

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experts and institutional stockholders believe that a classified board reduces accountability to stockholders because it prevents stockholders from evaluating all directors on an annual basis. In addition, the board recognized that the annual election of directors continues to evolve as a best practice in corporate governance. After a careful review, the board has determined that it would be in the best interests of Wachovia and its stockholders to take steps to eliminate the classified board. Accordingly, the board has recommended stockholders approve Proposal 2 at the meeting, which if adopted would amend Wachovia's articles of incorporation to eliminate the provisions requiring a classified board of directors. If adopted at the meeting, Wachovia directors would stand for election annually, beginning at Wachovia's 2008 annual meeting of stockholders. Approval of Proposal 2 to amend our articles of incorporation to declassify the board requires the affirmative vote of at least 80% of Wachovia's outstanding shares of common stock entitled to vote at the meeting. See Proposal 2.

In the event stockholders approve Proposal 2 by the requisite number of affirmative votes, Wachovia's articles of incorporation will be amended to eliminate the provisions classifying the terms of the board. In such case, as described in Proposal 2, it is expected that at the 2008 annual meeting of stockholders, all Wachovia directors, including those whose terms do not expire at that meeting, will be nominated to serve a one-year term. In the event stockholders do not approve Proposal 2 by the requisite number of affirmative votes, Wachovia's articles of incorporation will remain the same as they currently are and the directors elected at the meeting will serve for the applicable term for the Class in which they are nominated.

Directors who reach retirement age (70) during their term in office are to retire from the board at the annual meeting of stockholders next following their 70th birthday, subject to the board authorizing the retirement to be deferred when deemed appropriate.

Should any nominee be unavailable for election by reason of death or other unexpected occurrence, the enclosed proxy, to the extent permitted by applicable law, may be voted with discretionary authority in connection with the nomination by the board and the election of any substitute nominee. In addition, the board may reduce the number of directors to be elected at the meeting.

Proxies, unless indicated to the contrary, will be voted FOR the election of the six nominees named below as Class III directors of Wachovia with terms expiring at the 2010 annual meeting of stockholders, FOR the election of the one nominee named below as a Class II director of Wachovia with a term expiring at the 2009 annual meeting of stockholders, and FOR the election of the one nominee named below as a Class I director of Wachovia with a term expiring at the 2008 annual meeting of stockholders.

All of the nominees are currently directors. Listed below are the names of the eight nominees to serve as directors and the ten incumbent directors who will be continuing in office following the meeting, together with: their ages; their principal occupations during the past five years; any other directorships they serve with any company with a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the 1934 Act), or subject to Section 15(d) of the 1934 Act or any investment company registered under the Investment Company Act of 1940; and the year during which each was first elected a director of Wachovia.

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NOMINEES FOR ELECTION AS CLASS III DIRECTORS TERMS EXPIRING IN 2010

JOHN T. CASTEEN, III (63). President of the University of Virginia, Charlottesville, Virginia. A director since 2001.

MARYELLEN C. HERRINGER (63). Attorney-at-law, Piedmont, California. Previously, Executive Vice President, General Counsel and Secretary, APL Limited, Oakland, California, an intermodal shipping and rail transportation company, until 1997. Director, ABM Industries Incorporated, Pacific Gas & Electric Company and PG&E Corporation. A director since October 2006.

JOSEPH NEUBAUER (65). Chairman and Chief Executive Officer, ARAMARK Holdings Corporation, Philadelphia, Pennsylvania, a service management company, since January 2007. Previously, Chairman and Chief Executive Officer, ARAMARK Corporation, from September 2004 to January 2007, Executive Chairman of the Board, from January 2004 to September 2004, and Chairman and Chief Executive Officer of ARAMARK Corporation, prior to January 2004. Director, ARAMARK Corporation, Federated Department Stores, Inc. and Verizon Communications, Inc. A director since 1996.

TIMOTHY D. PROCTOR (57). General Counsel of Diageo plc, London, England, a premium spirits, beer and wine company, since January 2000. A director since November 2006.

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VAN L. RICHEY (57). President and Chief Executive Officer, American Cast Iron Pipe Company, Birmingham, Alabama, a manufacturer of products for the waterworks, capital goods and energy industries. A director since 2004.

DONA DAVIS YOUNG (53). Chairman (since April 2003), President (since November 2000) and Chief Executive Officer (since January 2003) of The Phoenix Companies, Inc., Hartford, Connecticut, a provider of wealth management products and services, and its subsidiary Phoenix Life Insurance Company. Previously, Chief Operating Officer (February 2001 to January 2003) of The Phoenix Companies, Inc., and President (since February 2000) and Chief Operating Officer (since February 2001) of Phoenix Life Insurance Company. Director, Foot Locker, Inc. and The Phoenix Companies, Inc. A director since 2001.

NOMINEE FOR ELECTION AS A CLASS I DIRECTOR TERM EXPIRING IN 2008

ERNEST S. RADY (69). Principal shareholder, manager and consultant to a group of companies engaged in real estate management and development, property and casualty insurance and investment management through American Assets, Inc. (President and founder) and Insurance Company of the West (Chairman), Irvine, California. Also, Chairman of Dealer Finance business and California banking business, Wachovia Corporation, from March 1, 2006 to March 1, 2007. Previously, Chairman and Chief Executive Officer, Westcorp, and Chairman, WFS Financial Inc, Irvine, California, commercial banking and automobile finance companies, prior to March 1, 2006. A director since 2006.

NOMINEE FOR ELECTION AS A CLASS II DIRECTOR TERM EXPIRING IN 2009

JERRY GITT (64). Retired, Palm Desert, California. Previously, First Vice President of Equity Research, Merrill, Lynch & Company, prior to 2000. A director since October 2006.

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INCUMBENT CLASS I DIRECTORS TERMS EXPIRING IN 2008

JOHN D. BAKER, II (58). President and Chief Executive Officer, Florida Rock Industries, Inc., Jacksonville, Florida, a heavy building materials company. Director, Florida Rock Industries, Inc. and Patriot Transportation Holding, Inc. A director since 2001.

PETER C. BROWNING (65). Lead Director of Nucor Corporation, Charlotte, North Carolina, a steel products manufacturing company, since May 2006. Previously, Non-Executive Chairman of Nucor Corporation, prior to May 2006 and Dean, McColl Graduate School of Business, Queens University of Charlotte, from March 2002 to May 2005. Director, Acuity Brands Inc., EnPro Industries, Inc., Lowe's Companies, Inc., Nucor Corporation and The Phoenix Companies, Inc. A director since 2001.

DONALD M. JAMES (58). Chairman and Chief Executive Officer, Vulcan Materials Company, Birmingham, Alabama, a construction materials company. Director, The Southern Company and Vulcan Materials Company. A director since 2004.

G. KENNEDY THOMPSON (56). Chairman (since February 2003), President (since December 1999) and Chief Executive Officer (since April 2000), Wachovia Corporation. Director, Hewlett-Packard Company and Wachovia Preferred Funding Corp. A director since 1999.

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JOHN C. WHITAKER, JR. (69). Chairman of the Board and Chief Executive Officer, Inmar, Inc., Winston-Salem, North Carolina, an information services company. A director since 2001.

INCUMBENT CLASS II DIRECTORS TERMS EXPIRING IN 2009

WILLIAM H. GOODWIN, JR. (66). Chairman and President, CCA Industries, Inc., Richmond, Virginia, a diversified holding company. Also, Chairman, Chief Executive Officer and Chief Operating Officer of The Riverstone Group, LLC, Richmond, Virginia, a diversified holding company. A director since 1993.

ROBERT A. INGRAM (64). Vice Chairman Pharmaceuticals, of GlaxoSmithKline, Research Triangle Park, North Carolina, a pharmaceutical research and development company, since January 2003. Also, Chairman of the Board, OSI Pharmaceuticals, Inc., Melville, New York, a biotechnology company, since January 2003, and Chairman of the Board, Valeant Pharmaceuticals International, Costa Mesa, California, a specialty pharmaceutical company focused on neurology, dermatology and infectious disease, since August 2006. Previously, Chief Operating Officer and President, Pharmaceutical Operations, of GlaxoSmithKline plc, from December 2000 to January 2003. Director, Allergan, Inc., Edwards Lifesciences Corporation, Lowe's Companies, Inc., OSI Pharmaceuticals, Inc. and Valeant Pharmaceuticals International. A director since 2001.

MACKEY J. MCDONALD (60). Chairman and Chief Executive Officer (and President prior to March 2006), VF Corporation, Greensboro, North Carolina, an apparel manufacturer. Director, Hershey Foods Corporation and VF Corporation. A director since 1997.

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RUTH G. SHAW (59). Executive Advisor to the Chairman and Chief Executive Officer, Duke Energy Corporation, one of the largest electric power companies in the United States, Charlotte, North Carolina, since October 2006. Previously, Group Executive Public Policy and President, Duke Nuclear, from April 2006 to October 2006, President (from March 2003 to April 2006) and Chief Executive Officer (from October 2004 to April 2006), Duke Power Company, and Executive Vice President and Chief Administrative Officer, Duke Energy Corporation, prior to March 2003. Director, The Dow Chemical Company. A director since 1990.

LANTY L. SMITH (64). Chairman, Soles Brower Smith & Co., Greensboro, North Carolina, an investment and merchant banking firm. Also, Chairman, Precision Fabrics Group, Inc., Greensboro, North Carolina, a manufacturer of high technology specification textile products. A director since 1987.

Board Matters

Wachovia's business is managed under the direction and oversight of the board of directors. The board appoints Wachovia's Chief Executive Officer and its senior management team who are responsible for the day-to-day conduct of Wachovia's business. The board's primary responsibilities, thereafter, are to oversee management and to exercise its business judgment to act in good faith and in what each director reasonably believes to be in the best interests of Wachovia.

Committee Structure

The board has established various committees to assist the board in fulfilling its responsibilities. These committees currently consist of

- the Executive Committee,
- the Risk Committee,
- the Management Resources & Compensation Committee,
- the Corporate Governance & Nominating Committee, and
- the Audit Committee.

Subject to applicable law and regulatory requirements, the board may establish additional or different committees from time to time.

The board has adopted written charters for each of the above committees, and copies of the current charters for the Audit, Management Resources & Compensation, Corporate Governance & Nominating and Risk Committees are available on Wachovia's website at www.wachovia.com under the tab "About Wachovia Investor Relations" and then under the heading "Corporate Governance Board Committee Composition", and are available in print to any stockholder who requests them by contacting us at: Investor Relations, Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288-0206, or by

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telephone at (704) 374-6782. The following is additional information regarding each of the board's existing committees:

Executive Committee. The Executive Committee held one meeting in 2006. The Committee is authorized, between meetings of the board, to perform all duties and exercise all authority of the board, except for those duties and authorities delegated to other committees of the board or that are exclusively reserved to the board by our bylaws or by applicable law. The Executive Committee is not expected to meet frequently, if at all, and its primary function would be to consider matters that require immediate attention. The following directors are the current members of the Committee: Smith (Chair), Browning, Goodwin, Ingram, Neubauer, Thompson, Whitaker and Young.

Risk Committee. The Risk Committee held six meetings in 2006. The primary responsibilities of the Risk Committee are to assist the board in overseeing, and receiving information regarding, Wachovia's policies, procedures and practices relating to liquidity, interest rate, credit, market and operational risk. The following directors are the current members of the Committee: Young (Chair), Goodwin, Herringer, James, Richey and Whitaker.

Management Resources & Compensation Committee. The Management Resources & Compensation Committee (the Compensation Committee) held eight meetings in 2006. The Compensation Committee's principal responsibilities are described below under Compensation of Directors and Compensation Discussion & Analysis and include assisting the board by reviewing, establishing or making recommendations to the board, as applicable, regarding employee compensation, administering various employee benefit plans, acting as the executive compensation committee, evaluating management resources, including regarding succession planning, monitoring compliance of our employment and personnel policies and studying the compensation of directors and recommending changes when appropriate. The following directors are the current members of the Compensation Committee: Shaw (Chair), Brown, Browning, Ingram, McDonald and Proctor. The board has determined that all of the members of the Compensation Committee are independent under the NYSE Corporate Governance Listing Standards, which we refer to as the NYSE rules, and the board's Director Independence Standards described below.

Corporate Governance & Nominating Committee. The Corporate Governance & Nominating Committee held six meetings in 2006. The Committee assists the board and management in establishing and maintaining effective corporate governance practices and procedures, identifies individuals qualified to become board members, and recommends to the board the individuals for nomination as members of the board and its committees. The following directors are the current members of the Committee: Ingram (Chair), Browning, Goodwin, McDonald, Neubauer, Shaw and Smith. The board has determined that all of the members of the Corporate Governance & Nominating Committee are independent under the NYSE rules and the board's Director Independence Standards.

Audit Committee. The Audit Committee held 14 meetings in 2006. The Committee's principal responsibilities are described below under Audit Committee Report and include assisting the board in overseeing Wachovia's financial reporting process. The following directors are the current members of the Committee: Neubauer (Chair), Baker, Casteen, Gitt and Smith. The board has determined that all of the members of the Audit Committee are independent under the NYSE rules, the board's Director Independence Standards, and applicable SEC rules and regulations. The board has also determined that at least one member of the Audit Committee qualifies as an audit committee financial expert within the meaning of SEC rules and regulations, and has designated Mr. Neubauer, the Chair of the Committee, as the audit committee financial expert.

Meetings and Attendance

The board held 11 meetings in 2006. In 2006, all of the directors attended at least 75% of the meetings of the board and the committees on which they served.

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Corporate Governance Policies and Practices

Corporate Governance Guidelines

Wachovia has developed, and operated under, corporate governance principles and practices that are designed to maximize long-term stockholder value, align the interests of the board and management with those of Wachovia's stockholders, and promote the highest ethical conduct among Wachovia's directors and employees. The board has focused on continuing to build upon Wachovia's strong corporate governance practices, and over the years Wachovia has adopted various corporate governance enhancements. For example, during the past few years the board has:

designated a lead independent director;

increased reliance on stock-based compensation for senior management and the board;

adopted stock ownership guidelines for senior executives and the board;

adopted a policy in 2006 requiring directors who receive more votes withheld from their election than for their election at a meeting of stockholders to tender their resignation;

proposed to amend Wachovia's articles of incorporation to remove the requirement of having a classified board, as described in Proposal 2;

proposed to amend Wachovia's articles of incorporation to provide for majority voting in uncontested director elections, as described in Proposal 3; and

adopted a policy that requires stockholder approval of future severance agreements for executive officers that provide for benefits above certain limits.

In April 2003, the board formally adopted written corporate governance policies, principles and guidelines, known as our Corporate Governance Guidelines, which reflect many of the matters mentioned above. The Corporate Governance Guidelines are not intended to be a static statement of Wachovia's policies, principles and guidelines, but are subject to continual assessment and refinement as the board may determine advisable or necessary in view of the best interests of Wachovia and its stockholders. A copy of the board's Corporate Governance Guidelines is available on Wachovia's website at www.wachovia.com under the tab "About Wachovia Investor Relations" and then under the heading "Corporate Governance Corporate Governance Guidelines", and is available in print to any stockholder who requests it by contacting us at: Investor Relations, Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288-0206, or by telephone at (704) 374-6782. Highlights of portions of the Corporate Governance Guidelines, as well as some of Wachovia's other corporate governance policies, practices and procedures are described below.

Director Independence

As described in the Corporate Governance Guidelines, the board believes that a substantial majority of the board should consist of directors who are independent under the NYSE rules, as determined by the board in its business judgment. As described below, the board has determined that 17 of the board's 19 current directors and nominees, or approximately 89%, are independent directors within the meaning of the Director Independence Standards adopted by the board, the NYSE rules and the applicable SEC rules and regulations.

The NYSE rules provide that a Wachovia director does not qualify as independent unless the board of directors affirmatively determines that the director has no material relationship with Wachovia (either directly or as a partner, stockholder or officer of an organization that has a relationship with Wachovia). The NYSE rules require a board to consider all of the relevant facts and circumstances in determining the materiality of a director's relationship with Wachovia and permit the board to adopt and disclose standards to assist the board in making determinations of independence. Accordingly, the board has adopted Director Independence Standards to assist the board in determining whether a director has a material relationship with Wachovia. The Director Independence Standards should be read together with the NYSE rules. The Director Independence Standards are attached to this proxy statement as *Appendix A* and are also available

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on Wachovia's website at www.wachovia.com under the tab "About Wachovia Investor Relations" and then under the heading "Corporate Governance Director Independence".

In February 2007, the board, with the assistance of the Corporate Governance & Nominating Committee, conducted an evaluation of director independence, based on the Director Independence Standards, the NYSE rules and applicable SEC rules and regulations. In connection with this review, the board evaluated banking, commercial, charitable, consulting, familial or other relationships with each director or immediate family member and their related interests and Wachovia and its subsidiaries, including those relationships described below under "Other Matters Relating to Executive Officers and Directors and Related Party Transactions Policy".

As a result of this evaluation, the board affirmatively determined that each of Mr. Baker, Mr. Brown, Mr. Browning, Mr. Casteen, Mr. Gitt, Mr. Goodwin, Ms. Herring, Mr. Ingram, Mr. James, Mr. McDonald, Mr. Neubauer, Mr. Proctor, Mr. Richey, Dr. Shaw, Mr. Smith, Mr. Whitaker, and Ms. Young is an independent director under the Director Independence Standards, the NYSE rules and the applicable SEC rules and regulations. Each member of the Audit, Management Resources & Compensation and Corporate Governance & Nominating Committees is independent. Lloyd U. Noland, III and James S. Balloun were independent directors prior to their retirements as directors in April 2006.

In connection with its independence evaluation, the board considered the following relationships and transactions, as described by category or type in the Director Independence Standards:

Customer Relationships

Wachovia provides in the ordinary course of business lending and/or other financial services to all of its directors, some of their immediate family members and their affiliated organizations, including to former directors who retired as directors in 2006.

Supplier or Other Business Relationships

Some entities affiliated with some of our directors or their immediate family members may provide services to or do business with Wachovia in the ordinary course of business, including the following entities:

ARAMARK Holdings Corporation, where Mr. Neubauer is the chief executive officer and beneficially owns approximately 9.7% of the voting securities, is a service management company, and in 2006, ARAMARK provided food and vending services to Wachovia;

The Riverstone Group, LLC, where Mr. Goodwin is the chief executive officer and which is owned by members of Mr. Goodwin's immediate family, is an owner and operator of, among other things, resort and hospitality properties, and in 2006, the Riverstone Group, LLC provided certain hotel, restaurant and meeting services to Wachovia;

The Greenwood Group, Inc., where Mr. Smith is a director and beneficially owns approximately 30% of the voting interests, is a Manpower staffing services franchisee, and in 2006, The Greenwood Group provided contract-staffing services to Wachovia;

Bradley Arant Rose & White LLP, where a relative of Mr. James is a partner, is a large law firm, and in 2006, Bradley Arant provided legal services to Wachovia. The relative, however, was not directly involved in providing legal services to Wachovia other than *de minimis* services involving an amount less than \$1,000; and

Duke Energy, the University of Virginia, and the Phoenix Companies, where Dr. Shaw, Mr. Casteen, and Ms. Young, respectively, are employed provide services or may otherwise do business with Wachovia. Duke Energy is one of the largest electric power companies in the United States and it provides utility services to Wachovia, the University of Virginia is one of several educational institutions that participates in sports marketing sponsorship arrangements with Wachovia, and Wachovia offers some of the Phoenix Companies products to its customers.

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Family Relationships

A relative of Mr. Proctor is employed as a customer relations manager at Wachovia, but is not an executive officer or officer required to file reports with the SEC under Section 16(a) of the 1934 Act, and a relative of Mr. Whitaker was employed as an investment advisor at Wachovia, but not an executive officer or Section 16(a) reporting officer, before retiring from Wachovia in March 2006.

Charitable and Other Relationships

Mr. Casteen is employed at an organization that received contributions from Wachovia that did not exceed the thresholds described in the Director Independence Standards. In addition, some Wachovia directors or their immediate family members are non-management directors or trustees, but not officers or significant equity owners, of entities that may be customers of Wachovia or otherwise do business in the ordinary course with, or may have received charitable contributions from, Wachovia. Under the Director Independence Standards, these relationships are not deemed to be material and are not considered by the board in determining independence.

The board determined pursuant to the Director Independence Standards and the NYSE rules that each of the above relationships was not material. In particular, in connection with considering the supplier or other business relationships described above, the amounts involved or paid by Wachovia to each of the above entities did not approach the 2% of consolidated gross revenues threshold contained in the Director Independence Standards and the NYSE rules, and in each case the amounts involved were less than 0.5% of the consolidated gross revenues of the entity, except for payments to Bradley Arant, which were less than 1% of the law firm's consolidated gross revenues. The board determined pursuant to the Director Independence Standards that these relationships were not material to Wachovia or the other entity and that none of the above directors or, to the extent applicable, their immediate family members had a direct or indirect material interest in the relationships or transactions with these entities.

The board also determined that Mr. Thompson and Mr. Rady are not independent because of their Wachovia employment.

Lead Independent Director

The board has long recognized the importance of independent leadership on the board, as evidenced by its designation of a lead independent director in 2000. As provided in the Corporate Governance Guidelines, the independent directors elect the lead independent director, and in February 2007, the independent directors elected Mr. Smith to continue in his role as the board's lead independent director. The duties and responsibilities of the lead independent director include the following:

- assisting the Chairman of the Board with board-related matters, including approving board meeting agendas, board meeting schedules and various information sent to the board;

- serving as the principal liaison between the independent directors and the Chairman of the Board;

- presiding at any meetings of the non-employee directors or independent directors or at any meetings of the board at which the Chairman of the Board is not present; and

- any other duties or responsibilities that may be requested by the independent directors or the Chairman of the Board, including, as the lead independent director deems appropriate, calling any meetings of the non-employee directors or independent directors or meeting with any of Wachovia's executive officers,

stockholders or other constituents.

Executive Sessions

The Corporate Governance Guidelines provide that the non-management directors will meet in regularly scheduled executive sessions (no management or directors who are also members of management present) at least three times each year. The lead independent director, Mr. Smith, presides at the regularly scheduled

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executive sessions of the non-management directors. Four of these executive sessions were held in 2006, including at least one session where only the independent directors were present. The Corporate Governance Guidelines also provide that the board will meet in executive sessions with the Chief Executive Officer at least two times each year to discuss strategic or other key issues regarding Wachovia, and may contact the Chief Executive Officer at any other time to discuss Wachovia's business.

Director Nomination Process

The Corporate Governance & Nominating Committee is responsible for identifying individuals qualified to become board members and for recommending to the board the individuals for nomination as members of the board. In furtherance of the board's Corporate Governance Guidelines, the Corporate Governance & Nominating Committee and the board expect to create a board that will demonstrate objectivity and the highest degree of integrity on an individual and collective basis. In evaluating current members and new candidates, the Corporate Governance & Nominating Committee considers the needs of the board and Wachovia in light of the current mix of director skills and attributes. In addition to requiring that each director possess unquestionable integrity and character, the Corporate Governance & Nominating Committee's evaluation of director candidates includes an assessment of issues and factors regarding an individual's education, business experience, accounting and financial expertise, age, diversity, reputation, civic and community relationships, and knowledge and experience in matters impacting financial institutions such as Wachovia. The Corporate Governance & Nominating Committee also takes into consideration the board's policies outlined in its Corporate Governance Guidelines, including those relating to the board's retirement policy, the ability of directors to devote adequate time to board and committee matters, and the board's belief that a substantial majority of the board should consist of independent directors. When the Corporate Governance & Nominating Committee is considering current board members for nomination for reelection, the Committee also considers prior board and committee contributions and performance, as well as meeting attendance records.

The Corporate Governance & Nominating Committee may seek the input of the other members of the board and management in identifying and attracting director candidates that are consistent with the criteria outlined above. In addition, the Corporate Governance & Nominating Committee may use the services of consultants or a search firm, although it has not done so in the past. Each of Mr. Gitt and Ms. Herring, who are standing for election by Wachovia stockholders for the first time at the meeting, are former directors of Golden West Financial Corporation who were recommended by Golden West and appointed to the board following the Golden West merger. Mr. Proctor, who also is standing for election by Wachovia stockholders for the first time at the meeting, was identified and recommended by the Corporate Governance & Nominating Committee.

The Corporate Governance & Nominating Committee will consider recommendations by Wachovia stockholders of qualified director candidates for possible nomination by the board. Stockholders may recommend qualified director candidates by writing to Wachovia's Corporate Secretary, at our offices at 301 South College Street, Charlotte, North Carolina 28288-0013. Submissions should include information regarding a candidate's background, qualifications, experience, and willingness to serve as a director. Based on a preliminary assessment of a candidate's qualifications, the Corporate Governance & Nominating Committee may conduct interviews with the candidate and request additional information from the candidate. The Corporate Governance & Nominating Committee uses the same process for evaluating all nominees, including those recommended by stockholders.

In addition, Wachovia's bylaws contain specific conditions under which persons may be nominated directly by stockholders for election as directors at an annual meeting of stockholders. The provisions include the condition that stockholders comply with the advance notice time frame requirements described below under **Other Stockholder Matters**.

Communications with Directors

The board has established a process for stockholders and other interested parties to communicate directly with the lead independent director or with the non-management directors individually or as a group. Any

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stockholder or other interested party who desires to contact one or more of Wachovia's non-management directors, including the board's lead independent director, may send a letter to the following address:

Board of Directors (or lead independent director or name of individual director)
c/o Corporate Secretary
Wachovia Corporation
301 South College Street
Charlotte, North Carolina 28288-0013

All such communications will be forwarded to the lead independent director or the appropriate director or directors specified in such communications as soon as practicable.

In addition, as provided on Wachovia's website at www.wachovia.com under the tab "About Wachovia Investor Relations" and then under the heading "Corporate Governance Contact Wachovia's Directors", any stockholder or interested party who has any concerns or complaints relating to accounting, internal accounting controls or auditing matters, may contact the Audit Committee by writing to the following address:

Wachovia Audit Committee
c/o Corporate Secretary
Wachovia Corporation
301 South College Street
Charlotte, North Carolina 28288-0013

Annual Meeting Policy

Directors are expected to attend Wachovia's annual meeting of stockholders. In furtherance of this policy, Wachovia's board usually holds one of its regularly scheduled board meetings on the same day as the annual stockholders' meeting. In 2006, all but one member of the board attended the annual meeting of stockholders.

Code of Conduct & Ethics

Wachovia has had a written code of conduct for many years. The code, which applies to Wachovia's directors and employees, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, includes guidelines relating to the ethical handling of actual or potential conflicts of interest, compliance with laws, accurate financial reporting, and procedures for promoting compliance with, and reporting violations of, the code. The Code of Conduct & Ethics is available on Wachovia's website at www.wachovia.com under the tab "About Wachovia Investor Relations" and then under the heading "Corporate Governance Code of Conduct & Ethics", and is available in print to any stockholder who requests it by contacting us at: Investor Relations, Wachovia Corporation, 301 South College Street, Charlotte, North Carolina 28288-0206, or by telephone at (704) 374-6782. Wachovia intends to post any amendments to or waivers of its Code of Conduct & Ethics (to the extent applicable to Wachovia's Chief Executive Officer, Chief Financial Officer or Principal Accounting Officer) at this location on our website.

Stock Ownership Requirements

Our board has adopted a common stock ownership policy for members of the board and our executive officers. This policy requires our executive officers to own shares of common stock having a value equal to five times base salary in the case of our CEO and Chairman, and four times base salary for all other executive officers. In addition, all of these executives are required to retain ownership of at least 75% of any common stock acquired by them through our stock compensation plans, after taxes and transaction costs. Each of our directors must own common stock or common stock

equivalents having a value equal to at least five times the annual cash retainer, which is currently \$70,000. In 2005, Wachovia expanded our stock ownership policy to the level of management that reports directly to our executive officers, who must own shares of common stock having a value equal to two times base salary, and have three years to meet this requirement. These ownership levels will be calculated annually and executive officers and directors

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have three years to meet the minimum level. Our board believes this stock ownership policy substantially enhances stockholder value by materially aligning management's interest with those of stockholders. See also Security Ownership of Management .

Compensation of Directors

The Compensation Committee is responsible for studying the compensation of directors and recommending changes for consideration by the full board when appropriate. The Compensation Committee annually reviews market data provided by professionals in our Human Resources Division, outside independent compensation consultants engaged by the Compensation Committee, and legal counsel. Based on this analysis, no changes to director compensation occurred in 2006.

Non-employee directors receive a quarterly cash retainer and quarterly credits under Wachovia's Deferred Compensation Plan for Non-Employee Directors, which is described below, in each director's common stock equivalent deferred account. In addition, the lead independent director and the Chair of each committee receive a quarterly fee.

The following table summarizes Wachovia's director compensation amounts:

Compensation Element	Annual Compensation(\$)
Annual Cash Retainer	70,000
Annual Mandatory Stock Unit Contribution	150,000
Total Annual Compensation	220,000
Annual Committee Chair Fee	15,000
Annual Audit Committee Chair Fee	25,000
Annual Lead Independent Director Fee	25,000
Special Board Meeting Fee *	2,000
Special Committee Meeting Fee *	1,500

* If more than six board or committee meetings are held in an annual period, directors receive an additional \$1,500 for each additional committee meeting attended and \$2,000 for each additional board meeting attended.

Wachovia reimburses directors for travel and accommodation expenses. Directors who are Wachovia employees do not receive any directors' fees.

Director Compensation Table

The following table sets forth with respect to each person who served as a director of Wachovia in 2006: (i) their name (column (a)); (ii) the aggregate dollar amount of all fees earned or paid in cash for services as a director, including annual retainer fees, committee and/or chairmanship fees, and meeting fees (column (b)); (iii) for awards of stock, the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with Statement of Financial Accounting Standards No. 123R (SFAS 123R) (column (c)); (iv) the sum of (A) the aggregate change in the actuarial present value of the accumulated benefit under all defined benefit and actuarial pension plans from the pension plan measurement date used for financial statement reporting purposes with respect to Wachovia's audited financial statements for the prior completed fiscal year to the pension plan measurement

date used for financial statement reporting purposes with respect to Wachovia's audited financial statements for the covered fiscal year, and (B) above-market or preferential earnings on compensation that is deferred on a basis that is not tax-qualified, including such earnings on nonqualified defined contribution plans (column (d)); (v) all other compensation for the covered fiscal year that Wachovia could not properly report in columns (b)-(d) (column (e)); and (vi) the dollar value of total compensation for the covered fiscal year (column (f)), representing the sum of all amounts reported in columns (b)-(e).

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Name	Fees Earned or Paid in Cash (\$ (6) (b)	Stock Awards (\$ (7) (c)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (8) (d)	All Other Compensation (\$ (9) (e)	Total Compensation in 2006 (\$) (f)
Baker II, John	82,500	150,000	0	0	232,500
Balloun, James (1)	26,962	44,918	35,527	0	107,406
Brown, Robert	80,000	150,000	18,672	0	248,672
Browning, Peter	83,000	150,000	0	0	233,000
Casteen III, John	88,500	150,000	0	4,000	242,500
Gitt, Jerry (3)	17,500	37,500	0	0	55,000
Goodwin Jr., William	85,000	150,000	0	4,000	239,000
Herringer, Maryellen (3)	17,500	37,500	0	0	55,000
Ingram, Robert	93,750	150,000	0	0	243,750
James, Donald	82,000	150,000	2,683	0	234,683
Malone, Wallace (5)	0	0	0	0	0
McDonald, Mackey	85,000	150,000	4,794	0	239,794
Neubauer, Joseph	122,000	150,000	6,877	1,000	279,794
Noland III, Lloyd (2)	26,000	37,500	0	0	63,500
Proctor, Timothy (4)	11,603	24,864	0	0	36,468
Rady, Ernest (5) (10)	0	0	0	0	0
Richey, Van	82,000	150,000	0	0	232,000
Shaw, Ruth	98,500	150,000	0	0	248,500
Smith, Lanty	137,000	150,000	0	0	287,000
Thompson, G. Kennedy (5)	0	0	0	0	0
Whitaker Jr., John	83,500	150,000	0	4,000	237,500
Young, Dona	97,000	150,000	0	4,000	251,000
Total	1,399,315	2,282,282	68,552	17,000	3,767,149

(1) Mr. Balloun retired as a director on April 18, 2006. Reported compensation reflects amounts earned or accrued for fiscal year 2006 through his retirement date.

(2) Mr. Noland retired as a director on April 18, 2006. Reported compensation reflects amounts earned or accrued for fiscal year 2006 through his retirement date.

- (3) Mr. Gitt and Ms. Herringer were appointed to the board of directors on October 1, 2006. Reported compensation reflects amounts earned or accrued from October 1, 2006 through year end.
- (4) Mr. Proctor was appointed to the board of directors on November 1, 2006. Reported compensation reflects amounts earned or accrued from November 1, 2006 through year end.
- (5) Wachovia employees do not receive compensation for their role as directors.
- (6) All or a portion of the reported cash compensation may be deferred through the Deferred Compensation Plan for Non-Employee Directors, which is discussed below. See table on the preceding page for elements of director compensation.
- (7) Amounts reflect the annual mandatory deferred common stock unit contribution provided to non-employee directors. Awards are made in the form of fully vested common stock unit equivalents and have been reported at the SFAS 123R value. These phantom stock units are hypothetical shares with the underlying value tied to the market price of Wachovia common stock. See Wachovia Deferred Compensation Plan for Non-Employee Directors below for additional information.
- (8) Amounts reflect only that interest earned on deferred compensation amounts that are considered to be above-market. Interest paid on deferred compensation is deemed to be above-market if it exceeds 120% of the applicable federal long-term rate.

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- (9) Amounts reflect Wachovia matching contribution component of the Board of Directors Matching Gift Program. Under this program, Wachovia will match, on a \$2 for \$1 basis, a director's contributions to accredited educational institutions or other nonprofit institutions in accordance with section 501(c) of the Internal Revenue Code. Wachovia's contribution is limited to \$4,000 in any given year.
- (10) As a Wachovia employee, Mr. Rady does not receive compensation as a director of Wachovia. However, Wachovia and Mr. Rady signed an offer letter at the time Wachovia and Westcorp entered into their merger agreement that became effective upon completion of the Westcorp merger regarding Mr. Rady's role with Wachovia. Pursuant to that letter, in 2006 Mr. Rady received a base salary of \$500,000 and incentive compensation of \$275,000. Mr. Rady is also eligible to participate in Wachovia's employee benefit plans, including stock incentive plans. The letter also provides that if Mr. Rady's employment is terminated without cause prior to January 1, 2008, he will receive post-termination payments based on his salary and minimum incentive compensation of \$275,000. In March 2007, Mr. Rady retired as an employee of Wachovia and, pursuant to the letter, he will receive \$691,667 in post-termination payments in 2007, equal to the remainder of base salary for 2007 plus the minimum incentive compensation. As described in Proposal 1, Mr. Rady has been nominated for election as a Wachovia director at the meeting.

Wachovia Deferred Compensation Plan for Non-Employee Directors

Under the Deferred Compensation Plan for Non-Employee Directors, directors who are not Wachovia employees may defer payment of all or any part of their directors' fees. Non-employee directors make these deferral elections prior to each year or upon appointment to the board. In conjunction with this deferral election, non-employee directors also elect whether deferred balances will earn interest set at the prime rate plus 2% compounding quarterly or invested in deferred stock units with the value tied to the market value of Wachovia common stock. The \$150,000 annual deferred stock unit component of the directors' retainer is provided through quarterly contributions of \$37,500 to the stock unit component of the plan. These contributions must be invested in deferred stock units during the year of contribution.

Directors having their fees in deferred stock units are investing in common stock equivalents that are valued based on the market value of Wachovia common stock. This means that the value of their deferred account is based on the market value of Wachovia common stock and will rise and fall as if the account were actually invested in the stock. Common stock equivalents do not have voting rights. Deferred stock units do not receive dividends when declared on shares of Wachovia common stock but do receive dividend equivalents that are re-invested into additional deferred stock units. Deferred amounts are payable in cash after the end of the calendar year in which the director ceases to be a director, in annual installments over a ten-year period, unless otherwise determined by the Compensation Committee.

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The following table sets forth with respect to each person who served as a director of Wachovia in 2006: (i) their name (column (a)); (ii) the aggregate interest-bearing balance in the director's Deferred Compensation Plan for Non-Employee Directors account at December 31, 2006 (column (b)); (iii) the aggregate number of deferred stock units in the director's Deferred Compensation Plan for Non-Employee Directors account at December 31, 2006 (column (c)); (iv) the aggregate dollar value of the deferred stock units in the director's Deferred Compensation Plan for Non-Employee Directors account at December 31, 2006 (column (d)); and (v) the aggregate value of the director's Deferred Compensation Plan for Non-Employee Directors account at December 31, 2006 (the sum of columns (b) and (d)) (column (e)).

Name (a)	Interest Bearing Balance at 12/31/2006	Deferred Stock Units Held at 12/31/2006	Deferred Stock Units Held at 12/31/2006	Total Deferred Balances at 12/31/2006
	(\$) (b)	(#) (1) (c)	(\$) (d)	(\$) (e)
Baker II, John	0	21,767	1,239,603	1,239,603
Balloun, James	852,930	15,728	895,719	1,748,649
Brown, Robert	333,440	20,680	1,177,751	1,511,191
Browning, Peter	0	22,970	1,308,121	1,308,121
Casteen III, John	0	22,435	1,277,697	1,277,697
Gitt, Jerry	0	679	38,663	38,663
Goodwin Jr., William	0	53,434	3,043,072	3,043,072
Herringer, Maryellen	17,943	679	38,663	