

COMMERCE BANCSHARES INC /MO/

Form DEF 14A

March 16, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

x Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

o Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Commerce Bancshares, Inc.

(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):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

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):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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March 16, 2016

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of the Shareholders of Commerce Bancshares, Inc. The meeting will be held at 9:30 a.m. on April 20, 2016, in the Amphitheater on level two of the Ritz-Carlton, St. Louis, 100 Carondelet Plaza, Clayton, Missouri.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the items to be considered and acted upon by the shareholders.

If you own shares of record, you will find enclosed a proxy card or cards and an envelope in which to return the card(s). Whether or not you plan to attend this meeting please sign, date and return your enclosed proxy card(s) or vote over the phone or Internet as soon as possible so that your shares can be voted at the meeting in accordance with your instructions. You can revoke your proxy anytime before the Annual Meeting and issue a new proxy as you deem appropriate. You will find the procedures to follow if you wish to change or revoke your proxy on page 3 of this Proxy Statement. Your vote is very important. I look forward to seeing you at the meeting.

Sincerely,

DAVID W. KEMPER

Chairman of the Board and
Chief Executive Officer

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Notice of Annual Meeting of Shareholders of
Commerce Bancshares, Inc.

Date: April 20, 2016

Time: 9:30 a.m., Central Daylight Time

Place: The Amphitheater on level two of the Ritz-Carlton, St. Louis, 100 Carondelet Plaza,
Clayton, Missouri

- Purposes:
1. To elect four directors to the 2019 Class for a term of three years;
 2. To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for 2016;
 3. Advisory approval of the Company's executive compensation ("Say on Pay");
 4. Proposal to amend the Company's Amended and Restated Articles of Incorporation to Declassify the Board of Directors and to provide for the annual election of directors; and
 5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Who Can Vote: Shareholders at the close of business February 16, 2016 are entitled to vote at the meeting. If your shares are registered in the name of a bank or brokerage firm, telephone or Internet voting will be available to you only if offered by your bank or broker and such procedures are described on the voting form sent to you.

How You Can Vote: You may vote your proxy by marking, signing and dating the enclosed proxy card and returning it as soon as possible using the enclosed envelope; or, you may vote over the telephone or the Internet as described on the enclosed proxy card.

By Authorization of the Board of Directors,
THOMAS J. NOACK
Secretary

March 16, 2016

Important Notice regarding the availability of proxy materials for the
Shareholder Meeting to be held on April 20, 2016

The Proxy Statement and Annual Report to Shareholders are available at www.edocumentview.com/CBSH

The Proxy Statement and Annual Report to Shareholders are also available on the
Company's website at www.commercebank.com/ir

Your Vote Is Important. Whether You Own One Share or Many, Your Prompt Cooperation in Voting Your Proxy Is Greatly Appreciated.

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PROXY STATEMENT

COMMERCE BANCSHARES, INC.

1000 Walnut Street

Kansas City, Missouri 64106

Annual Meeting April 20, 2016

SOLICITATION

This Proxy Statement, the accompanying proxy card and the 2015 Annual Report to Shareholders of Commerce Bancshares, Inc. (the "Company" or "Commerce"), are first being sent to security holders on or about March 16, 2016. The Board of Directors of the Company (the "Board" or "Board of Directors") is soliciting your proxy to vote your shares at the Annual Meeting of Shareholders (the "Meeting") on April 20, 2016. The Board is soliciting your proxy to give all shareholders of record the opportunity to vote on matters that will be presented at the Meeting. This Proxy Statement provides you with information on these matters to assist you in voting your shares.

What is a Proxy?

A proxy is your legal designation of another person (the "proxy") to vote on your behalf. By completing and returning the enclosed proxy card, you are giving David W. Kemper and Jonathan M. Kemper, who were appointed by the Board, the authority to vote your shares in the manner you indicate on your proxy card.

Why did I receive more than one proxy card?

You will receive multiple proxy cards if you hold your shares in different ways (e.g., joint tenancy, trusts, custodial accounts) or in multiple accounts. If your shares are held by a broker, banker, trustee or nominee (i.e., in "street name"), you will receive your proxy card or other voting information from your broker, bank, trustee, or nominee, and you will return your proxy card or cards to your broker, bank, trustee or nominee. You should vote on and sign each proxy card you receive.

VOTING INFORMATION

Who is qualified to vote?

You are qualified to receive notice of and to vote at the Meeting if you owned shares of common stock, \$5.00 par value, of the Company ("Common Stock") at the close of business on our record date of Tuesday, February 16, 2016.

How many shares of Common Stock may vote at the Meeting?

As of February 16, 2016, there were 96,862,155 shares of Common Stock outstanding and entitled to vote. Each share of Common Stock is entitled to one vote on each matter presented. Holders of Commerce Bancshares Series B Preferred Stock have no voting rights with respect to matters that generally require the approval of voting shareholders.

What is the difference between a "shareholder of record" and a "street name" holder?

These terms describe how your shares are held. If your shares are registered directly in your name with Computershare Trust Company, N.A., the Company's transfer agent, you are a "shareholder of record." If your shares are held in the name of a broker, bank, trustee or other nominee as a custodian, you are a "street name" holder.

How do I vote my shares?

If you are a "shareholder of record," you have several choices. You can vote your proxy:

by mailing the enclosed proxy card,

over the telephone, or

via the Internet.

Please refer to the specific instructions set forth on the enclosed proxy card. For security reasons, our electronic voting system has been designed to authenticate your identity as a Shareholder.

If you hold your shares in "street name," your broker, bank, trustee or nominee will provide you with materials and instructions for voting your shares.

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Can I vote my shares in person at the Meeting?

If you are a "shareholder of record," you may vote your shares in person at the Meeting. If you hold your shares in "street name," as the beneficial owner, you have the right to direct your broker, bank, trustee or nominee on how to vote your shares, and you are also invited to attend the Meeting. However, if you are not a "shareholder of record", you may not vote your shares in person at the Meeting unless you bring with you a legal proxy obtained from and executed by your broker, bank, trustee or nominee.

What are the Board's recommendations on how I should vote my shares?

The Board recommends that you vote your shares as follows:

Proposal One FOR the election of all four nominees for the 2019 Class of Directors with terms expiring at the 2019 Annual Meeting of Shareholders.

Proposal Two FOR the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm (independent auditors) for the fiscal year ending December 31, 2016.

Proposal Three FOR the approval of the Company's executive compensation. (Say on Pay)

Proposal Four FOR approval of amendment to the Amended and Restated Articles of Incorporation to declassify the Board of Directors and to provide for the annual election of directors.

What are my choices when voting?

Proposal One You may cast your vote in favor of electing the nominees as Directors or withhold your vote on one or more nominees.

Proposal Two You may cast your vote in favor of, or against, the proposal, or you may elect to abstain from voting your shares.

Proposal Three You may cast your vote in favor of, or against, the proposal, or you may elect to abstain from voting your shares.

Proposal Four You may cast your vote in favor of, or against, the proposal, or you may elect to abstain from voting your shares.

Shareholders do not have dissenters' rights of appraisal in connection with these proposals.

How would my shares be voted if I do not specify how they should be voted?

If you sign and return your proxy card without indicating how you want your shares to be voted, the proxies will vote your shares as follows:

Proposal One FOR the election of all four nominees for the 2019 Class of Directors with terms expiring at the 2019 Annual Meeting of Shareholders.

Proposal Two FOR the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm (independent auditors) for the fiscal year ending December 31, 2016.

Proposal Three FOR the approval of the Company's executive compensation. (Say on Pay)

Proposal Four FOR approval of amendment to the Amended and Restated Articles of Incorporation to declassify the Board of Directors and to provide for the annual election of directors.

How are votes withheld, abstentions and broker non-votes treated?

If your shares are held in street name, unless you provide voting instructions to your broker, bank, trustee, or other nominee, your shares will not be voted on Proposal One, Proposal Three, and Proposal Four, and those unvoted shares are referred to as broker non-votes. In the election of directors, broker non-votes will be considered solely for quorum purposes and are not counted for the election of directors; withheld votes will be treated as votes against a director. On Proposal Two (ratification of the appointment of KPMG LLP), your broker, bank, trustee, or other nominee may exercise its discretion and vote on Proposal Two. Abstentions will be treated as votes against Proposal Two, Proposal Three and Proposal Four.

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Can I change my vote after I have mailed in my proxy card?

You may revoke your proxy by doing one of the following:

- by sending a written notice of revocation to the Secretary of the Company that is received prior to the Meeting, stating that you revoke your proxy;
- by delivery of a later-dated proxy (including a telephone or Internet vote) and submitting it so that it is received prior to the Meeting in accordance with the instructions included on the proxy card(s); or
- by attending the Annual Meeting and voting your shares in person. If your shares are held in street name and you want to vote your shares at the Annual Meeting, you must obtain a legal proxy in your name from the broker, bank, trustee, or other nominee that holds your shares as of the record date, which is February 16, 2016.

What vote is required to approve each proposal?