

Commerce Bank CEO's Pay Rises 6 Percent to \$4 Million

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By David Nicklaus

For the second straight year, **Commerce Bancshares** Chief Executive **David Kemper** got an incentive bonus that was well above his target amount. His bonus of \$1.44 million – slightly below the 2011 incentive payout – was paid at 163 percent of target and brought Kemper's total compensation to \$4.17 million, according to a proxy statement filed today.

That was an increase of 6 percent from Kemper's 2011 total pay. His 2012 pay included a salary of \$882,828, stock worth \$1.34 million, an increase in pension value of \$276,671 plus executive retirement credits of \$209,387. His perquisites totaled \$5,729, which covered club dues, long-term care insurance and personal use of a company plane.

If Kemper leaves Commerce after a takeover, his golden parachute would pay him \$18.5 million. That includes \$6.6 million in salary and bonus, \$4.8 million for unvested stock, \$3.6 million from retirement plans and \$3.4 million to reimburse him for taxes.

Commerce's earnings per share rose 8 percent last year, excluding unusual items, but its share price fell 3 percent. In explaining the bonus amounts, Commerce notes that its return on equity is better than three-quarters of peer banks.

David Nicklaus is business columnist at the St. Louis Post-Dispatch.