

COMMERCE BANCSHARES INC /MO/

Form 8-K

February 23, 2006

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

**Form 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): February 17, 2006**

**Commerce Bancshares, Inc.
(Exact name of registrant as specified in its charter)**

| | | |
|---------------------------------|---------------------------------|--|
| Missouri | 0-2989 | 43-0889454 |
| (State of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

1000 Walnut,
Kansas City, MO

64106

(Address of principal executive offices)

(Zip Code)

(816) 234-2000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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

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

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Stock Appreciation Rights Agreement

Restricted Stock Award Agreement

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On February 17, 2006 the Company's Board of Directors approved the recommendations of the Compensation and Human Resources Committee with respect to the base salary for 2006 (effective April 1, 2006) and the payment of cash bonuses to the Company's CEO and its other named executive officers in accordance with the Company's Executive Incentive Compensation Plan. The Board also approved the Committee's recommendations for the grant to those individuals of stock appreciation rights and restricted stock awards under the Company's 2005 Equity Incentive Plan. The stock appreciation rights agreement and restricted stock award agreement pursuant to the 2005 Equity Incentive Plan are filed in this form as Exhibits 10.1 and 10.2.

| Executive Officer | Title | 2006 Salary \$ | 2005 Cash Bonus \$ | Stock Appreciation Rights # | Restricted Stock Award # |
|--------------------------|---------------------------|-------------------------------|-----------------------------------|--|---|
| David W. Kemper | Chairman, President & CEO | 788,000 | 575,500 | 85,000 | 3,730 |
| Jonathan M. Kemper | Vice Chairman | 408,000 | 205,000 | 36,000 | 1,329 |
| Seth M. Leadbeater | Vice Chairman | 320,500 | 152,000 | 18,000 | 985 |
| Charles G. Kim | Executive Vice President | 295,000 | 135,000 | 15,000 | 875 |
| Kevin G. Barth | Executive Vice President | 295,000 | 150,000 | 15,000 | 972 |

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment or Principal Officers.

On February 17, 2006, at its regularly scheduled meeting, the Board of Directors approved the nominees for the Class of 2009 submitted by the Committee on Governance/Directors. Mr. Giorgio Balzer, an incumbent director in the Class of 2006, noting his retirement as Chairman and Chief Executive Officer of Generali USA Life Reassurance Company, declined to stand for re-election. Therefore, Mr. Balzer's term as a Director of the Company will expire with the election of the Class of 2009 at the annual meeting of shareholders on April 19, 2006.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

10.1 Commerce Bancshares, Inc. Stock Appreciation Rights Agreement

10.2 Commerce Bancshares, Inc. Restricted Stock Award Agreement

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SIGNATURE

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

COMMERCE BANCSHARES, INC.

By: /s/ Jeffery D. Aberdeen

Jeffery D. Aberdeen
Controller
(Chief Accounting Officer)

Date: February 23, 2006

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| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---|
| 10.1 | Commerce Bancshares, Inc. Stock Appreciation Rights Agreement |
| 10.2 | Commerce Bancshares, Inc. Restricted Stock Award Agreement |