

UMB FINANCIAL CORP
Form DEF 14A
March 17, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 § 240.14a-12

UMB Financial Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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:

Fee paid previously with preliminary materials.

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:

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

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF THE
2015 ANNUAL MEETING
OF SHAREHOLDERS
AND PROXY STATEMENT**

April 28, 2015, at
9:00 a.m. CDT

UMB Financial Corporation
1010 Grand Boulevard
Kansas City, Missouri 64106

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**NOTICE OF THE 2015 ANNUAL MEETING OF
SHAREHOLDERS OF UMB FINANCIAL CORPORATION**

Date and Time: Tuesday, April 28, 2015, at 9:00 a.m. CDT

Place: UMB Financial Corporation

1010 Grand Boulevard

Kansas City, Missouri 64106

Items of Business: The following matters will be presented to our shareholders:

1. the election of 13 directors for terms ending at the 2016 annual meeting of shareholders;
2. the ratification of the Corporate Audit Committee's engagement of KPMG LLP as our independent registered public accounting firm for 2015;
3. if properly introduced at the meeting, a shareholder proposal for the adoption of a policy requiring an independent Chair of our Board of Directors; and
4. any other business that may be properly considered at the meeting or any adjournment or postponement of the meeting.

Afterward, we will present a report on our business and operations.

Record Date: You may vote at the meeting or any adjournment or postponement of the meeting only if you were a shareholder of record at the close of business on March 2, 2015.

Voting: It is important that your shares be represented at the meeting, regardless of how many you own, and we strongly encourage you to vote by proxy even if you are planning to attend in person. Please submit your proxy through the internet or by telephone, or please complete, sign, date, and return your proxy card in the provided envelope. You may revoke your proxy and vote your shares in person according to the procedures described in the attached proxy statement.

The date of this notice is March 17, 2015. The attached proxy statement and the related form of proxy are first being sent, given, or made available to shareholders on or about March 17, 2015.

By Order of the Board of Directors,

Scott A. Stengel

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Secretary

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting To Be Held on April 28, 2015:

The Proxy Statement and the Annual Report to Shareholders are available

at www.edocumentview.com/umbf

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UMB FINANCIAL CORPORATION

1010 Grand Boulevard

Kansas City, Missouri 64106

PROXY STATEMENT

GENERAL INFORMATION

This proxy statement and the related form of proxy are first being sent, given, or made available on a website of UMB Financial Corporation (**we** or **UMB**) on or about March 17, 2015, to the shareholders of record of our common stock, par value of one dollar (\$1.00) per share (**UMB stock**), at the close of business on March 2, 2015 (the **record date**), in connection with our 2015 annual meeting of shareholders and any adjournment or postponement of that meeting (the **Annual Meeting**).

The Annual Meeting will be held at 9:00 a.m. CDT on April 28, 2015, at our principal executive offices located at 1010 Grand Boulevard, Kansas City, Missouri 64106, for the purposes described in this proxy statement.

The following matters will be presented to our shareholders:

1. the election of 13 directors for terms ending at the 2016 annual meeting of shareholders;
2. the ratification of the Corporate Audit Committee's engagement of KPMG LLP as our independent registered public accounting firm for 2015;
3. if properly introduced at the meeting, a shareholder proposal for the adoption of a policy requiring an independent Chair of our Board of Directors; and
4. any other business that may be properly considered at the meeting or any adjournment or postponement of the meeting.

Afterward, we will present a report on our business and operations.

No shareholder has a dissenter's right of appraisal or similar right in connection with any of these matters.

Attendance at the Annual Meeting will be limited to shareholders of record or their proxies, beneficial owners of UMB stock who present proof of ownership, and our guests. Attendees may be required to present a valid form of government-issued photo identification (such as a driver's license) in order to gain admittance.

Proxies are being solicited to afford all shareholders of record an opportunity to vote on matters presented at the Annual Meeting.

It is important that your shares be represented at the Annual Meeting, regardless of how many you own, and we strongly encourage you to vote by proxy even if you are planning to attend in person.

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**QUESTIONS AND ANSWERS ABOUT
THE ANNUAL MEETING, PROXY MATERIALS, AND VOTING**

Why did I receive these proxy materials?

You received our proxy statement, annual report, or notice of internet availability of proxy materials, as applicable, because UMB's Board of Directors (the **Board**) is soliciting your proxy to vote at the Annual Meeting. This proxy statement contains information that we are required to provide you under the rules of the U.S. Securities and Exchange Commission (the **SEC**) and is intended to assist you in voting your shares.

What is a proxy?

A proxy is your grant of authority to another person to vote your shares. The person granted this authority is also called a proxy. When you designate a proxy, you may direct the proxy how to vote your shares.

Who may vote at the Annual Meeting?

Shareholders of record at the close of business on the record date may vote at the Annual Meeting. As of the record date, 45,754,629 shares of UMB stock were issued and outstanding and, therefore, eligible to be voted at the Annual Meeting. Each share of UMB stock is entitled to one vote.

Who is a shareholder of record or a beneficial owner?

Shareholders of record or **record holders** have shares of UMB stock registered in their names with our transfer agent, Computershare Trust Company. **Beneficial owners**, in contrast, own shares of UMB stock that are held in street name through a broker, bank, or other nominee.

Beneficial owners generally cannot vote their shares directly and must instead instruct their brokers, banks, or other nominees how to vote the shares. If you are a beneficial owner of UMB stock, your proxy is being solicited through your broker, bank, or other nominee.

What are my voting rights?

You may vote **FOR** or **WITHHOLD** on the nominees under Proposal #1. You may vote **FOR**, **AGAINST**, **ABSTAIN** on Proposals #2 and #3.

Cumulative voting will apply in connection with Proposal #1 election of directors. *See* **What vote is required for each proposal?** later in this section. Cumulative voting will not apply in connection with any other matter at the Annual Meeting.

How does the Board recommend that I vote?

The Board recommends that you vote as follows:

Proposal #1: **FOR** the election of each of the 13 nominees to our Board.

Proposal #2: **FOR** the ratification of the Corporate Audit Committee's engagement of KPMG LLP as our independent registered public accounting firm for 2015.

Proposal #3: **AGAINST** the shareholder proposal for the adoption of a policy requiring an independent Chair of our Board.

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What vote is required for each proposal?

Proposal #1: Plurality voting will apply that is, the 13 nominees receiving the highest number of **FOR** votes will be elected.

Cumulative voting will also apply that is, each shareholder will have a total number of votes equal to the holder's number of shares multiplied by the number of directors to be elected, and the shareholder may cast all of those votes for a single nominee or may distribute whole (though not fractional) votes among more than one nominee in any proportion desired. If you want to utilize cumulative voting, please notify our transfer agent, Computershare Trust Company, at (636) 600-1714 prior to the Annual Meeting or vote by ballot at the Annual Meeting.

Voting **WITHHOLD** for one or more of the nominees will have no effect on the election of directors. If you are a beneficial owner of shares, your broker, bank, or other nominee is not permitted to vote your shares on this matter if no instruction is received from you.

Proposal #2: Majority voting will apply that is, ratification of the Corporate Audit Committee's engagement of KPMG LLP as our independent registered public accounting firm for 2015 will require the affirmative (**FOR**) vote of the majority of the shares cast at the Annual Meeting.

Voting **ABSTAIN** on this matter will have no effect on the outcome. If you are a beneficial owner of shares, your broker, bank, or other nominee can exercise discretion in voting your shares on this matter if no instruction is received from you.

Proposal #3: Majority voting will apply that is, approval of the shareholder proposal for the adoption of a policy requiring an independent Chair of our Board will require the affirmative (**FOR**) vote of the majority of the shares cast at the Annual Meeting.

Voting **ABSTAIN** on this matter will have no effect on the outcome. If you are a beneficial owner of shares, your broker, bank, or other nominee is not permitted to vote your shares on this matter if no instruction is received from you.

How do I vote my shares?

We strongly encourage all shareholders to submit their votes in advance of the Annual Meeting.

Record Holders: You may vote your shares (1) through the internet, (2) by telephone, (3) by completing, signing, dating, and returning your proxy card in the provided envelope, or (4) in person by ballot at the Annual Meeting. Other proxy materials that you receive together with this proxy statement contain the website address and the telephone number for internet or telephone voting. Internet or telephone votes must be received by 1:00 a.m. CDT on April 28, 2015, in order to be counted. Completed, signed, and dated proxy cards must be received prior to the Annual Meeting in order to be counted.

Beneficial Owners:

You may not vote your shares directly but instead may instruct your broker, bank, or other nominee how to vote your shares. You should receive materials from your broker, bank, or other nominee with directions on how to provide voting instructions. Those materials also will identify the time by which your broker, bank, or other nominee must receive your voting instructions. The availability of internet or telephone voting will depend on the processes adopted by your broker, bank, or

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other nominee. If you want to vote your shares in person at the Annual Meeting, you will need to obtain a legal proxy from your broker, bank, or other nominee in advance and present that proxy to the inspectors of election together with a valid form of government-issued photo identification (such as a driver's license).

UMB Plans:

Holders of shares through the UMB Profit-Sharing and 401(k) Savings Plan (the **Profit-Sharing Plan**) or the UMB Employee Stock Ownership Plan (the **ESOP**) may not vote your shares directly but instead may instruct the trustee for the Profit-Sharing Plan or the ESOP how to vote your shares. Each holder who is a current employee of UMB and who has a valid UMB e-mail address will receive an e-mail from our transfer agent, Computershare Trust Company, describing how to access our proxy materials and how to provide voting instructions to the trustee. If you hold shares through the Profit-Sharing Plan and the ESOP, you will receive only one e-mail about both of them. Each holder who is not a current employee of UMB or who does not have a valid UMB e-mail address will receive our proxy materials in the mail and will be able to provide voting instructions to the trustee in the same manner as record holders. In all cases, voting instructions must be received by the trustee by 1:00 p.m. CDT on April 23, 2015, in order for the related votes to be counted.

If I am a record holder, what happens if I submit a valid proxy prior to the Annual Meeting but do not provide voting instructions?

If you as a record holder submit a valid proxy prior to the Annual Meeting but do not provide voting instructions, your shares will be voted according to the recommendations of the Board. *See* **How does the Board recommend that I vote?** earlier in this section.

If I am a beneficial owner, will my broker, bank, or other nominee vote for me if I do not provide voting instructions?

If you are a beneficial owner and do not provide voting instructions, your broker, bank, or other nominee has discretionary authority to vote your shares on Proposal #2 ratification of the Corporate Audit Committee's engagement of KPMG LLP as our independent registered public accounting firm for 2015. Your broker, bank, or other nominee, however, does not have discretionary authority to vote your shares on Proposals #1 or #3.

If I hold shares through the Profit-Sharing Plan or the ESOP, will the trustee vote for me if I do not provide voting instructions?

If you hold shares through the Profit-Sharing Plan and do not provide voting instructions, the trustee will vote your shares in the same proportion that the other shares in the Profit-Sharing Plan are voted. If you hold shares through the ESOP and do not provide voting instructions, the trustee can exercise discretion in voting your shares.

Can other matters be decided at the Annual Meeting?

When this proxy statement was printed, we did not know of any matter to be presented at the Annual Meeting other than those described in this proxy statement. If any other matter may be properly considered at the Annual Meeting, your proxy can exercise discretion in voting your shares on the matter. We do not anticipate that any other matter will be presented at the Annual Meeting.

Can I revoke or change my proxy?

You may revoke or change your proxy at any time before the vote is taken at the Annual Meeting.

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If you are the record holder of UMB stock, you may revoke or change your proxy in the following ways:

by executing and delivering a later-dated proxy for the same shares in compliance with the requirements described in this proxy statement;

by voting the same shares again over the internet or telephone by 1:00 a.m. CDT on April 28, 2015;

by voting a ballot at the Annual Meeting; or

by notifying the Corporate Secretary of your revocation of the proxy prior to the Annual Meeting.

If you are the beneficial owner but not the record holder of UMB stock, you must follow the directions provided to you by your broker, bank, or other nominee. Any beneficial owner of shares who wants to revoke a proxy at the Annual Meeting will need to present to the inspectors of election a legal proxy from the broker, bank, or other nominee indicating that the person is the beneficial owner of the shares.

If you hold shares through the Profit-Sharing Plan or the ESOP, you must follow the directions provided to you by the trustee.

Who pays the costs of preparing the proxy materials and soliciting proxies?

We will pay the costs of preparing the proxy materials and soliciting proxies, including the reasonable charges and expenses of brokers, banks, and other nominees for forwarding proxy materials to beneficial owners and updating proxy cards and directions. We also have engaged Okapi Partners LLC to assist in the solicitation of proxies for an estimated fee of \$10,000 plus disbursements.

In addition to our solicitation of proxies by mail, your proxy may be solicited by telephone, facsimile, internet, or e-mail or in person by directors, officers, or regular employees of UMB or its affiliates who will receive no additional compensation for doing so.

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The following persons owned of record or beneficially owned more than 5% of UMB stock which is the only class of UMB's voting securities at the close of business on March 2, 2015:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
J. Mariner Kemper 1010 Grand Boulevard Kansas City, Missouri 64106	5,004,895 (1)	10.94%
Blackrock, Inc. 40 East 52nd Street New York, New York 10022	3,299,844 (2)	7.21%
The Vanguard Group. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	2,930,861 (3)	6.41%

(1) The total stock ownership reported for J. Mariner Kemper is comprised of the following:

- (a) 83,081 shares are owned directly.
- (b) 1,799 shares are owned through the ESOP.
- (c) 48,682 shares of unvested restricted stock are under Mr. Kemper's authority to vote.
- (d) Options for 137,404 shares are owned directly, currently vested, and in the money.
- (e) 290,397 shares are owned by Kemper Realty Company, and 395,989 shares are owned by Pioneer Service Corporation. Each of these are entities through which voting and investment decisions may be controlled, directly or indirectly, by Mr. Kemper.
- (f)

4,047,543 shares are held by UMB Bank, National Association as either sole trustee or co-trustee. In each case, Mr. Kemper has or shares voting power. Of these shares:

- (i) 2,161,386 shares are owned by the R. Crosby Kemper Irrevocable Trust, but sole voting and dispositive authority is held by Mr. Kemper.
- (ii) 87,888 shares are owned by trusts under the will of Rufus Crosby Kemper, and 70,362 shares are owned by the Enid and Crosby Kemper Foundation. In each case, UMB Bank, National Association as trustee has sole voting and dispositive authority but may act only on the direction of Mr. Kemper, Alexander C. Kemper, and Heather Kemper Miller, or any two of them.
- (iii) 579,810 shares are owned by the R.C. Kemper Charitable Trust and Foundation, but sole voting and dispositive authority is held by the co-trustees: Mr. Kemper, Thomas J. Wood III, and Sheila Kemper Dietrich.
- (iv) 1,029,756 shares are owned by the R. C. Kemper, Jr. Charitable Trust and Foundation, but sole voting and dispositive authority is held by the majority of the non-corporate co-trustees: Mr. Kemper, Mary S. Kemper, R. Crosby Kemper III, and Mary Kemper Wolf.

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- (v) 59,775 shares are owned by trusts created by R. Crosby Kemper, Jr. for five of his children, but sole voting authority is held by the majority of Mr. Kemper, Mary S. Kemper, R. Crosby Kemper III, Sheila Kemper Dietrich, Alexander C. Kemper, Heather Kemper Miller, and Mary Kemper Wolf.

- (vi) 58,566 shares are owned by the R. Crosby Kemper Irrevocable Dynasty Trust, but sole voting and dispositive authority is held by the majority of Mr. Kemper, R. Crosby Kemper III, Sheila Kemper Dietrich, Alexander C. Kemper, Heather Kemper Miller, and Mary Kemper Wolf.

- (2) This is according to information provided to UMB in a Schedule 13G filed by Blackrock, Inc. with the SEC on January 26, 2015.

- (3) This is according to information provided to UMB in a Schedule 13G filed by The Vanguard Group with the SEC on February 10, 2015.

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This table sets forth the number of shares of UMB stock which is the only class of UMB's voting securities that are beneficially owned (as defined in SEC Rule 13d-3) at the close of business on March 2, 2015, by a director, a nominee, or an Executive (as defined in **Compensation Discussion and Analysis Overview** later in this proxy statement). It also includes the shares beneficially owned by all directors and Section 16 Officers (as defined in **Section 16(a) Beneficial Ownership Reporting Compliance** later in this section) as a group. The individuals designated as our Section 16 Officers are also our executive officers as defined in SEC Rule 3b-7.

Name of Beneficial Owner	Amount and Nature of Beneficial Holdings (1)	Percent of Class
Craig L. Anderson	35,660	*
Warner L. Baxter	1,329	*
Robin C. Beery.	0	*
Nancy K. Buese	4,453	*
Peter J. deSilva	222,545	*
Terrence P. Dunn	18,300	*
Kevin C. Gallagher	12,429	*
Greg M. Graves	14,249	*
Michael D. Hagedorn	88,455	*
Andrew J. Iseman	31,643	*
Alexander C. Kemper	279,369 (2)	*
J. Mariner Kemper	5,004,895	10.94%
Kris A. Robbins	7,128	*
Thomas D. Sanders	6,956	*
L. Joshua Sosland	6,686	*
Paul Uhlmann III	13,683	*
Brian J. Walker	12,166	*
Thomas J. Wood III	1,489,952 (3)	3.26%
All Directors and Section 16 Officers as a Group	6,397,777 (4)	13.98%

* Less than 1% of the outstanding shares.

- (1) These numbers include (a) shares owned directly by the individuals or members of their immediate families who share the same household, (b) shares owned in trust, (c) shares otherwise held through indirect forms of

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ownership and over which the individuals exercise sole or shared voting or investment power, (d) shares of restricted stock owned by the Executives and the Section 16 Officers that have not vested but over which the Executives and the Section 16 Officers have voting power, and (e) shares that are subject to outstanding options exercisable within 60 days. The following Executives have options that are exercisable within 60 days for the amounts shown: J. Mariner Kemper 137,404 shares; Brian J. Walker 4,554 shares; Peter J. deSilva 111,532 shares; Michael D. Hagedorn 40,634 shares; and Craig L. Anderson 13,898 shares. Section 16 Officers other than the Executives collectively hold options, exercisable within 60 days, to acquire 490 shares.

- (2) The total stock ownership reported for Alexander C. Kemper is comprised of the following: (a) 2,778 shares owned directly, (b) 118,341 shares held by UMB Bank, National Association as either sole trustee or co-trustee, where voting or investment power is shared with other family members (including J. Mariner Kemper), and (c) 87,888 shares owned by trusts under the will of Rufus Crosby Kemper and 70,362 shares owned by the Enid and Crosby Kemper Foundation, where UMB Bank, National Association as trustee has sole voting and dispositive authority but may act only on the direction of Mr. Kemper, J. Mariner Kemper, and Heather Kemper Miller, or any two of them.
- (3) The total stock ownership reported for Thomas J. Wood III is comprised of the following: (a) 392,514 shares owned directly, (b) 13,546 shares owned by Mr. Wood and his spouse jointly, (c) 76 shares owned by Mr. Wood and his son jointly, (d) 2,402 shares owned by Mr. Wood's spouse, (e) 501,604 shares held in fiduciary accounts, where Mr. Wood has the authority to vote or dispose of the shares, and (f) 579,810 shares owned by the R.C. Kemper Charitable Trust and Foundation, of which Mr. Wood is a co-trustee with J. Mariner Kemper and Sheila Kemper Dietrich.
- (4) Shares held in foundations, trusts, or companies over which more than one director or Executive share voting or investment power have been included only one time in this total.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the **Exchange Act**) requires each officer (as defined in Section 16(a) and SEC Rule 16a-1, a **Section 16 Officer**), each director on the Board, and any person who beneficially owns more than 10% of UMB stock (collectively, the **reporting persons**) to file with the SEC reports of ownership and changes in ownership of UMB stock. SEC rules also require each reporting person to send or deliver to UMB a copy of each statement filed with the SEC by that person under Section 16(a).

Based solely on a review of the copies furnished to UMB during or with respect to 2014 and written representations from reporting persons that no Forms 5 were required to be filed, UMB believes that each person who was a reporting person during 2014 timely filed the reports required by Section 16(a) during 2014, except as follows: Greg M. Graves, a director on the Board, filed late Forms 4 reporting the purchase of (a) 15.75 shares of UMB stock on January 2, 2014, (b) 132.73 shares of UMB stock on February 3, 2014, (c) 16.82 shares of UMB stock on March 3, 2014, and (d) 234.62 shares on May 1, 2014. Craig L. Anderson, a Section 16 Officer during 2014, filed a late Form 4 reporting the discretionary sale of 234.62 shares of UMB stock in his 401(k) account on May 1, 2014.

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CORPORATE GOVERNANCE

Overview

UMB is committed to strong corporate-governance principles and practices. In addition to the information provided in this proxy statement, we maintain the following documents in the Corporate Governance menu at www.umb.com/investor:

Corporate Governance Guidelines (last revised on January 27, 2015)

Code of Ethics (last revised on January 28, 2014)

Charter of the Compensation Committee (last revised on January 28, 2014)

Charter of the Corporate Audit Committee (last revised on July 22, 2014)