



Commerce Bancshares, Inc.

Corporate Code of Ethics

POLICY

Commerce Bancshares and its affiliates are judged by the performance and conduct of their directors, officers, and employees. We recognize that our first duty to our customers, to our stockholders, and to the public in general, is to conduct all matters in a manner that merits public trust and confidence.

The following Code of Ethics (the “Code”) represents policies long followed by Commerce and is a restatement with amendments of the Code initially adopted in 1977. This Code is not all-inclusive and is not intended to be a substitute for good judgment concerning the basic principles of banking. The Code was revised in 1987, 2001, 2004 and has been again revised and approved by the Board of Directors of Commerce Bancshares, Inc. in April 2006. This Code of Ethics applies to all officers, employees and directors of Commerce Bancshares, Inc. and all its subsidiaries. An Ethics Committee, appointed by the Chief Executive Officer of Commerce Bancshares, Inc. is responsible for enforcement of the Code of Ethics.

Advisory Directors are neither employees, officers or elected directors of Commerce but advise, consult and meet periodically with local Commerce market managers on economic and business matters of interest to Commerce and provide business contacts within their respective communities to enhance the local presence of Commerce. Advisory Directors are expected to be familiar with this Code and to comply with the spirit and intent of all provisions that affect their activities related to Commerce to support the objective that public trusts and confidence in Commerce is maintained.

Any individual violating this Code of Ethics is subject to appropriate disciplinary action, up to and including dismissal from employment with Commerce and, if appropriate, prosecution by Commerce.

The Ethics Committee promptly reports all violations of the Code and any significant events to the Auditor and General Counsel for presentation to the Audit and Risk Committee of the Commerce Board of Directors.

Code of Ethics:

I. Confidential/Sensitive and Insider Information

A. Confidential/Sensitive Information

1. In accordance with federal and state statutes and regulations, Commerce has adopted a *Privacy Policy* for the protection of customer privacy and a *Safeguarding Sensitive Information Policy* for protecting sensitive customer information. Compliance with these policies, as well as conformity with the principles set forth in the Code, is expected of all officers, directors and employees.
 2. Information obtained with respect to the customers of Commerce from any source other than public documents is considered privileged and must be held in strict confidence. Information received from or about customers is to be used solely for corporate purposes and should be disclosed to employees of Commerce only as needed to discharge their assigned duties. Confidential information is not to be transmitted to persons outside of Commerce, except to public accountants, legal counsel for Commerce or other service providers in accordance with Commerce policies unless the customer has consented or in response to proper legal process. Such information is never to be used as a basis for personal gain by employees, officers or directors.
 3. Material inside information held in other departments of the bank is not to be sought by, nor disclosed to, fiduciary officers and employees in The Commerce Trust Company; nor are such fiduciary officers and employees to use any material inside information in connection with any decision or recommendation to purchase or sell any security.
 4. Financial information regarding Commerce is not to be released to any person unless it has been published in a report to shareholders or otherwise made generally available to the public in accordance with applicable disclosure rules.
 5. Commerce internal financial data, management reports, business plans, marketing strategies, contracts, intellectual property, customer lists and all other proprietary information of Commerce is confidential and may not be disclosed, discussed or made available to anyone outside of Commerce. Such information and materials, including those maintained in an electronic format, are trade secrets of Commerce and may not be retained for use nor removed from Commerce at the time employment ends. Maintaining the confidentiality of such proprietary information and trade secrets is a condition of continuing employment with Commerce.
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B. Insider Information

1. Confidential information may, in some instances, be considered "insider information" which if used or disclosed could subject the employees, officers or directors, Commerce, or persons outside to whom the information is communicated, to liability under federal and/or state securities law.
2. "Insider information" is material non-public information about Commerce or any customer. The test of materiality is whether the information was of such importance that it could be expected to affect the judgment of investors as to buying, selling, or holding securities and which, if generally known, could be expected to affect the market price of the stock. The following types of non-public information have been found by the Securities and Exchange Commission and by the courts to affect investment decisions, thereby becoming "insider information":
 - a. Change in dividend rate.
 - b. Preliminary indication of a major development or new product.
 - c. Sales, earnings, and cash flow projections showing a rapid rise in earnings.
 - d. A sharp drop or increase in earnings.
 - e. A sharply downward revised projection of earnings.
 - f. Significant unexpected losses or gains.
 - g. Negotiations as to possible mergers, acquisitions or "spin-offs" of business units.
 - h. The matters listed above are not meant to include all situations that may involve "insider information." Obviously, the rule is difficult to apply in every circumstance; however, all employees, officers or directors must be extremely cautious in discussing non-public corporate affairs, ours and our customers', with outsiders.
3. Employees, officers, and directors may not use "insider information" for securities trading purposes either for themselves or for others directly or by making recommendations to buy or sell a security based on such information.

II. Conflicts of Interest

A conflict of interest may be defined as any situation in which someone's private interests conflict or are otherwise incompatible with the official responsibilities of that person to Commerce or any of its subsidiaries. Therefore, a conflict of interest would arise where any employee, officer or director or a relative has a personal interest, financial or other, in a customer, borrower, supplier, or other person or company dealing with Commerce. Expectations regarding managing personal

finances and banking matters are provided in the Financial Responsibility Policy adopted by Commerce. Each employee, officer or director must manage his or her personal and business affairs so as to avoid situations that might lead to a conflict, or even the appearance of a conflict, between the employee's, officer's or director's self-interest and his or her duty to Commerce, its customers and its shareholders. In any such situation, the person must disqualify himself from any activities concerning the conflicting interests.

A. Commitment of Corporate Funds

No employee, officer or director will commit funds of Commerce to a borrower or other entity when any part of those funds will be to the personal benefit, directly or indirectly, of the employee, officer or director committing the funds.

B. Investments

Investing by an officer or employee in securities of a publicly traded corporation is permissible without prior disclosure provided that the total ownership will not exceed 5% of any class or type of issued and outstanding stock or debt obligation of any corporation.

If any officer or employee or member of his or her immediate family invests, directly or indirectly, in a business in excess of 5% of any class of issued or outstanding securities of a corporation or any percentage of ownership in a partnership, limited liability company or operates a sole proprietorship doing business with Commerce, that investment must be reported to the Ethics Committee. Further, any Commerce officer or employee is not to service the account of such corporation or business as a loan officer or relationship manager or be in a purchasing position if it is a supplier to Commerce.

It should be noted that the rules relative to investment for certain Commerce Trust Company personnel are more restrictive than the rules set forth in this policy.

C. Purchase of Assets

Directors, officers and employees or members of their immediate family shall not purchase any real or personal property which Commerce owns or in which it has a security interest without prior approval obtained through the Ethics Committee, with full value being paid and the transaction properly documented on the books of Commerce. The property must also have been available to the general public.

No director, officer or employee or member of such person's immediate family shall purchase or sell any assets from or to or borrow funds from any fiduciary account being administered by Commerce, unless the purchase has been approved by appropriate court order.

D. Business Activities

No director, officer or employee shall engage in any self-dealing or otherwise trade on his/her position with Commerce. Neither can a director, officer or employee accept a business opportunity not generally available to the public from anyone doing, or seeking to do, business with Commerce.

III. Outside Activities

No Commerce officer or Commerce employee is to have an outside interest or employment that encroaches on the time or attention which should be devoted to the employee's corporate duties; adversely affects the quality of work performed; competes with the activities of Commerce; involves any use of the equipment, supplies or facilities of Commerce; infers sponsorship or support of Commerce on behalf of the outside employment or organization; or adversely affects the good name of Commerce. A Commerce officer or employee interested in outside employment must comply with established policies regarding notification of his/her manager.

A. Fiduciary Appointments

Except for a member of the officer's or employee's immediate family, prior approval obtained through the Ethics Committee is required before acceptance by an officer or employee of an appointment as a fiduciary or co-fiduciary (executor, administrator, guardian, trustee or conservator) either with any of the Commerce Banks or with another person, firm, or corporation. Under Regulation 9.15(b) of the Comptroller of the Currency, no officer or employee of a commercial bank may receive a fee for acting as co-fiduciary with the bank unless specific approval is made by its Board of Directors.

B. Outside Directorship, Partnerships, Sole Proprietorships or Other Business Entities

Prior approval obtained through the Ethics Committee is required before an officer or employee may accept a position as officer or director of a corporation or become a member of a partnership, limited liability company, sole proprietorship or other business entity doing business with Commerce.

C. Interlocking Affiliates

While there may be exceptions under certain circumstances, directors, officers, or employees of a commercial bank are prohibited by statute from dual service in the following areas:

1. Service in an organization primarily engaged in the issue, flotation, underwriting, public sale or distribution of stocks, bonds or other securities.
 2. Service as a director, officer, or employee of any other non-affiliated financial institution (which includes banks, savings and loans, credit unions, bank or savings and loan holding companies) as prohibited by 12 C.F.R. Part 26.
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3. Service as an officer or director of a public utility holding company or subsidiary.

D. Professional Organizations, Church, Charitable, Educational, Fraternal, or Other Civic Affairs

Officers and employees are encouraged to take part in professional organizations, church, charitable, educational, fraternal or other civic activities so long as such activities do not impair the performance of or conflict with company duties. It is also expected that such activity will reflect favorably upon Commerce.

E. Political Activities

No corporate funds are to be used for political contributions without the prior approval of the Chairman of the Board or the President of Commerce Bancshares, Inc. Any officer, employee or director participating in political activities does so as an individual and not as a representative of Commerce. To avoid any possible inference of corporate or affiliate company sponsorship or endorsement, the corporate name or address should not be used in mailed material or fund collection, nor should Commerce be identified in any advertisement or literature.

No director, officer, or employee is to engage in providing special favors or unusual gifts to elected officials or act in any manner that could be construed as a "pay-off" upon behalf of Commerce.

Any officer or employee desiring to become a candidate for an elective political office or to accept appointment to a national, state or local government office, board, commission committee, or similar entity must have such activity approved through the Ethics Committee. If such approval is granted and the officer or employee is subsequently elected or accepts an appointment, he or she must abstain from participating in discussions or voting on matters in which the interests of Commerce are affected

IV. Relations with Customers

A. Borrowing from Customers

Officers or employees may not borrow either directly or indirectly, from a customer of the bank or any trust, corporation, partnership, limited liability company, or other entity owned or controlled by a customer or suppliers of Commerce, other than recognized lending institutions. Any borrowings from other lending institutions should be made on the same terms and conditions, including rates of interest and security, as such institution would charge or require from its regular borrowing customers. The term "borrow" does not include a purchase from a customer or supplier resulting in an extension of credit in the normal course of business, nor does this preclude borrowing from a relative who is a customer.

B. Signature/Transaction Authority

No officer, employee or director shall sign on customer's accounts, have access to customer's safe deposit boxes or otherwise represent or act for a customer whether at Commerce or another financial institution. This includes being designated as "payable on death" or having power of attorney for a customer as well as being a signer on an account for a charitable organization, church or professional organization with which associated. However, these restrictions do not apply to a director who is a licensed attorney and who is acting in such capacity with respect to a client who is a Commerce customer. In addition, these restrictions do not prohibit such acts where there is an ownership capacity or a close family relationship. Exceptions may be made, after review by the Ethics Committee, when a Commerce officer, employee or director is designated as treasurer (or similar position) for a professional, church, charitable, educational, fraternal organization or other civic affairs with accounts at Commerce.

V. Fidelity Coverage

Every officer and employee is covered by corporate fidelity bond. Commerce cannot continue to employ anyone who ceases to be eligible for this coverage.

A. Coverage under the terms of our bond ceases as to anyone who has been found to have committed any dishonest or fraudulent act.

B. All officers and employees must report to the Ethics Committee, the Chief Executive Officer or any member of the Audit and Risk Committee any violation or suspected violation of the criminal laws as soon as it is discovered. Failure to make any such report constitutes a violation of this Code.

VI. Bank Bribery Law and Criminal Law Summary

A. Consistent with the provisions of the Bank Bribery Law, no Commerce official (any employee, officer, director, agent or attorney of Commerce) shall:

1. Solicit for themselves or for a third party (other than Commerce itself) anything of value from anyone in return for any business, service or confidential information of Commerce, or
2. Accept and retain anything of value including notary fees or other fees or payments (other than normal, authorized compensation) from anyone in connection with the business of Commerce either before or after a transaction is discussed or consummated.

Exceptions to the foregoing general prohibitions are:

- a. Acceptance of unsolicited gifts, amenities or favors based on obvious family or personal relationships (such as those between the parents, children, or spouse of a Commerce official) when the circumstances make it clear that it is those
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relationships, rather than the business of Commerce, which are the motivating factors;

- b. Acceptance of unsolicited meals, refreshments, travel arrangements or accommodations or entertainment of reasonable value in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions;
- c. Acceptance of loans from other banks or financial institutions on customary terms to finance proper and usual activities of a Commerce official, such as home mortgage loans, except where prohibited by law;
- d. Acceptance of advertising or promotional material of nominal value such as pens, pencils, note pads, key chains, calendars and similar items;
- e. Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers;
- f. Acceptance of unsolicited gifts of modest value (related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, Christmas, or bar or bat mitzvah, but no gift from a single source should exceed \$100.00. Acceptance of unsolicited occasional tickets to sporting events, concerts and the like of a reasonable value are permitted; however, this exception does not extend to season tickets, unreasonably numerous events, or extravagant events such as Super Bowls, out of town golf tournaments, or conventions and seminars where the business reason is merely incidental to the entertainment purpose;
- g. Acceptance of civic, charitable, educational, or religious organizational awards for recognition of service and accomplishment;
- h. Acceptance of a door prize, drawing or gift having a present value of \$250 or less provided at an event sponsored by a professional organization or customer, vendor, supplier or consultant of Commerce; awards exceeding a present value of \$250 may, at the suggestion of the officer or employee and with the concurrence of the event sponsor, be donated by the sponsor directly to a qualified charitable organization;
- i. Acceptance of an honorarium, travel, lodging or meal expenses for a speech or presentation at an event sponsored by a professional organization or customer, vendor, supplier or consultant of Commerce provided the employee or officer receives prior approval by the Ethics Committee.

In the event any employee, officer or director is offered, receives or anticipates receiving anything of value from a customer, vendor, supplier or consultant of Commerce beyond what is expressly authorized in the Code of Ethics, written disclosure of that fact shall be made promptly to the

Ethics Committee. Likewise, if an employee, officer or director learns that another employee, officer or director will or may receive anything of value from a customer, vendor, supplier or consultant beyond what is expressly authorized herein, that information must be provided to the Ethics Committee for its investigation and review. In such instances, the disclosure will be reported by the Ethics Committee for review by senior management of Commerce Bancshares, Inc. For example, an employee cannot allow a customer to provide for that employee in his/her will or estate. If an employee becomes aware that a customer intends to do so, the employee must contact his/her manager immediately. Should such a bequest occur, the employee is obligated to refuse it.

B. The federal statutes contain laws prohibiting certain actions by officers and employees of financial institutions. Several of the more important activities prohibited are as follows:

1. Theft, embezzlement or misapplication of funds or assets.
2. Making extortionate extensions of credit.
3. Unauthorized issuance of obligations or making or causing false entries to be made.
4. Certifying a check drawn on an account in which there are not sufficient collected funds.
5. Making any false statement or report to any federal bank examiner.
6. The criminal laws also provide:

"Whoever knowing that an offense (breach of federal criminal law) has been committed receives, relieves, comforts or assists the offender in order to hinder or prevent his apprehension, trial or punishment is an accessory after the fact." An accessory after the fact is subject to fine and imprisonment as provided in the law.

VII. Accounting, Auditing and Recordkeeping

A. Commerce has developed internal controls, standards and procedures to ensure that all Commerce assets are identified, protected and properly used, and that all business records, financial records and other reports are reliable, accurate and timely prepared and maintained. All directors, officers and employees are responsible for complying with all internal controls and recordkeeping standards and procedures.

B. All of Commerce's financial reports, accounting records, auditing records, expense records, research reports and all supporting documentation must accurately and clearly present the facts and true nature of each reported transaction. False or misleading entries, improper, incomplete or inaccurate documentation or financial reporting is against Commerce policy.

C. All records of Commerce must be retained or destroyed according to Commerce's record retention policies.

D. The Commerce "Financial Matters Complaints Policy" provides Commerce employees an avenue for anonymous reporting of any audit or financial concerns.

E. The "Financial Responsibility Policy" clarifies expectations with regard to how Commerce employees manage their own financial affairs and banking transactions. Among its provisions, it prohibits processing transactions on one's own account and requires that employees use established banking channels.

VIII. General Business Conduct

A. Directors, officers and employees shall not make any false entries in Commerce's records, create false transactions, alter documents or sign documents if such person lacks the authority to do so; shall not direct an employee to make an entry or process a transaction that violates or ignores any Commerce policy nor make such an entry or process a transaction themselves.

B. Directors, officers and employees having supervisory authority shall not direct, improperly influence or coerce any other employee to take any action that violates or ignores this Code, any law, regulation or bond, for example, directing an employee holding a notary commission or signature guaranty authority to execute a notary certificate or document if such employee believes to do so would be improper or inappropriate.

IX. Enforcement Mechanism, Incident Reporting and Investigations

A. The Ethics Committee has the responsibility to administer and enforce the provisions of this Code of Ethics. The Ethics Committee may investigate matters upon its own initiative or as requested from any employee, officer or director. The Ethics Committee has the authority to collect statements, reports and documentation to aid in its investigation as well as to interview individuals, including the person whose conduct is at issue. Upon consideration of the factual information available to the Ethics Committee, it will determine whether a violation of the Code of Ethics has occurred and, whether a waiver should be granted. Waivers will not be granted by the Ethics Committee for executive officers or directors; corporate governance policies require that any waivers or exceptions for directors and executive officers be obtained only through the Board of Directors of Commerce Bancshares, Inc. or the Commerce Bancshares Audit and Risk Committee. If a violation has occurred, the Senior Talent Management Executive will be notified. The Ethics Committee may, from time-to-time, adopt such rules of procedure to govern its internal functioning, as it deems appropriate.

B. All directors, officers and employees are expected and encouraged to report any suspected violations of the Commerce Code of Ethics or any of its policies or of any statute

or regulation to the Ethics Committee or a representative of the Talent Management, Corporate Investigations, or Legal departments. Reports may be made anonymously. Cooperation by all directors, officers and employees in the investigation and resolution of any suspected violation is essential to the successful enforcement of Commerce's Code of Ethics and its corporate policies.

C. No employee, officer or director will be penalized or be made subject to any corrective action as the result of good faith reporting of suspected violations of the Code of Ethics. Further, as required by the Sarbanes-Oxley Act of 2002, Commerce has adopted a *Financial Matters Complaint Policy* and its associated reporting process that provides an anonymous means to report concerns about accounting, auditing, and other financial matters.

X. Waivers

A waiver of any provision of the Code of Ethics for an executive officer or director may only be granted by the Board of Directors. Any such waiver and the reasons for the waiver must be promptly reported by the Board of Directors to the shareholders in the format and within the timeframe required by regulatory authority.

XI. Dissemination

All directors, officers and employees are expected to read and understand this statement of policy and to review it periodically in order to be alert to situations that might involve, appear to involve, or have the potential to result in a violation of this Code. Any questions regarding the guidelines should be directed to the Ethics Committee, or the Chief Executive Officer. This Code will be provided as a supplement to the Employee Handbook as well as the Talent Management Policy Manual, and is expected to be understood and complied with by all Commerce employees.

XII. Annual Officer Statement

As part of this policy, each officer will be expected to annually certify to the Auditor of Commerce Bancshares, Inc. that he or she is familiar with and in compliance with this Code.

XIII. Posting of Policy

The following policy statement applies to all employees and is to be posted on all Commerce bulletin boards and placed in all Talent Management policy manuals:

"All directors, officers, and employees in the banking industry automatically assume responsibility for seeking the confidence and trust of their customers and stockholders. It is the goal of Commerce Bancshares to assure the community that all corporation transactions are handled with propriety, confidentiality, and the honesty required to further gain and retain public trust. We in Commerce Bancshares seek your support of this goal. You must constantly analyze your duties as a bank employee in order to avoid any actions that could be interpreted as a conflict of interest

or breach of public faith. It is also your duty to report to your superiors or to the management of Commerce Bancshares or to any member of its Audit and Risk Committee any known or suspected activities of others which conflict with this policy. Any employee acting in any manner which discredits the corporation through a dishonest or fraudulent act will be subject to termination. With your understanding and support of this and our other goals, Commerce Bancshares will continue to be a leader in the banking community by maintaining the highest standards of ethics."

Adopted by the Board of Directors of Commerce Bancshares, Inc.

April 19, 2006
