

MARSHALL & ILSLEY CORP/WI/
Form DEF 14A
March 15, 2005

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 Pursuant to §240.14a-12

Marshall & Ilsley Corporation

(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):

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

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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):

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4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

MARSHALL & ILSLEY CORPORATION

770 North Water Street

Milwaukee, Wisconsin 53202

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 26, 2005

TO THE SHAREHOLDERS OF MARSHALL & ILSLEY CORPORATION:

The 2005 Annual Meeting of Shareholders of Marshall & Ilsley Corporation (the Company) will be held at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin, on Tuesday, April 26, 2005 at 10:00 a.m., local time, for the following purposes:

- (1) To elect five directors to serve until the 2008 Annual Meeting of Shareholders and until their respective successors are elected and qualified;
- (2) To ratify the appointment of Deloitte & Touche LLP to audit the financial statements of the Company for the fiscal year ending December 31, 2005; and
- (3) To transact such other business as may properly come before the Annual Meeting, all in accordance with the accompanying Proxy Statement.

Shareholders of record at the close of business on March 1, 2005 are entitled to notice of and to vote at the Annual Meeting.

Holders of a majority of the outstanding shares must be present in person or by proxy in order for the meeting to be held. Therefore, whether or not you expect to attend the Annual Meeting in person, you are urged to vote by completing and returning the accompanying proxy in the enclosed envelope, by a telephone vote or by voting electronically via the Internet. Instructions for telephonic voting and electronic voting via the Internet are contained on the accompanying proxy. If you attend the meeting and wish to vote your shares personally, you may do so by revoking your proxy at any time prior to the voting thereof. In addition, you may revoke your proxy at any time before it is voted by advising the Secretary of the Company in writing (including executing a later-dated proxy or voting via the Internet) or by telephone of such revocation.

If your shares are held in street name (through a broker, bank or other nominee), you may receive a separate voting instruction with this Proxy Statement, or you may need to contact your broker, bank, or other nominee to determine whether you will be able to vote electronically using the Internet, telephonically, or what is required to vote your shares in person at the Annual Meeting.

RANDALL J. ERICKSON, *Senior Vice President,*

General Counsel and Secretary

March 15, 2005

MARSHALL & ILSLEY CORPORATION

770 North Water Street

Milwaukee, Wisconsin 53202

March 15, 2005

Proxy Statement

The proxy you received is solicited by the Board of Directors of Marshall & Ilesley Corporation (the Company or M&I) for use at the Annual Meeting of Shareholders (the Annual Meeting) to be held at 10:00 a.m., local time, on Tuesday, April 26, 2005 at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin. At the Annual Meeting, the shareholders of the Company will (1) elect five Class III directors, each of whom will hold office until April 2008 and, with respect to each director, until his or her successor is elected and qualified, and (2) vote on the ratification of the appointment of Deloitte & Touche LLP as the Company s independent auditors for the fiscal year ending December 31, 2005.

The expense of printing and mailing proxy materials, including expenses involved in forwarding materials to beneficial owners of common stock held in the name of another person, will be borne by the Company. No solicitation other than by mail is contemplated, except that officers or employees of the Company or its subsidiaries may solicit the return of proxies from certain shareholders by telephone. In addition, the Company has retained Morrow & Co., Inc. to assist in the solicitation of proxies for a fee of approximately \$6,500 and any reasonable out-of-pocket disbursements. The Proxy Statement and the Proxy Card are being sent to the Company s shareholders commencing on or about March 15, 2005. Shareholders who have consented to electronic delivery of the Proxy Statement and the Company s Annual Report to Shareholders will receive those documents via posting on M&I s web site: www.micorp.com/ereports.html.

Each shareholder of record at the close of business on March 1, 2005 will be entitled to one vote for each share of common stock registered in such shareholder s name. The Company has one class of capital stock outstanding: its \$1.00 par value common stock (the Common Stock). As of March 1, 2005, the Company had 228,507,909 shares of Common Stock outstanding. The presence, in person or by proxy, of the holders of a majority of the shares of the Common Stock outstanding on the record date is required for a quorum with respect to the matters on which action is to be taken at the Annual Meeting.

Any shareholder executing and delivering his or her proxy may revoke the same at any time before it is voted by advising the Secretary of the Company in writing (including executing a later-dated proxy or voting via the Internet) or by telephone of such revocation.

The Company has instituted the Dividend Reinvestment and Cash Investment Plan (the Reinvestment Plan) administered by Continental Stock Transfer & Trust Company, as Trustee. Under the provisions of the Reinvestment Plan, shares of Common Stock are acquired and held in nominee name by Continental Stock Transfer & Trust Company for participating shareholders. Shares so held have been separately designated on the proxy card pertaining to each participant and will be voted at the Annual Meeting in the same manner in which the participant votes those shares registered in his or her own name either by proxy or in person.

If you are a participant in the 2000 Employee Stock Purchase Plan or the M&I Retirement Program, shares held in your account have been separately designated on the proxy card and will be voted at the Annual Meeting in the same manner in which you vote those shares registered in your name either by proxy or in person. Plan shares not voted by participants will be voted by the plan administrator or trustee in accordance with the terms of the respective plan.

The Company's Annual Report to Shareholders for the fiscal year ended December 31, 2004 is being provided to shareholders with this Proxy Statement.

Unless otherwise directed, all proxies will be voted FOR the election of each of the individuals nominated to serve as a Class III director and FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owners to vote shares as to a particular matter with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining a quorum.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table lists as of January 31, 2005 (unless otherwise indicated) information regarding the beneficial ownership of shares of Common Stock by each current director, each nominee for director, each named executive officer of the Company, each person believed by the Company to be a beneficial owner of more than 5% of the Common Stock, and all current directors and executive officers of the Company as a group:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Marshall & Iisley Corporation 770 North Water Street Milwaukee, WI 53202	16,712,446(2)	7.3%
The Northwestern Mutual Life Insurance Company 720 East Wisconsin Avenue Milwaukee, WI 53202	14,055,046(3)	6.2%
Richard A. Abdo	31,200(4)	*
David L. Andreas	3,680,594(5)	1.6%
Andrew N. Baur	45,611(6)	*
Jon F. Chait	102,451(7)	*
John W. Daniels, Jr.	500(8)	*
Mark F. Furlong	324,614(9)	*
Bruce E. Jacobs	67,098(10)	*
Ted D. Kellner	687,725(11)	*
Dennis J. Kuester	1,843,352(12)	*
Katharine C. Lyall	42,000(13)	*
Frank R. Martire	69,269(14)	*
John A. Mellows	20,497(15)	*
Edward L. Meyer, Jr.	75,364(16)	*
San W. Orr, Jr.	972,612(17)	*
Thomas J. O'Neill	225,477(18)	*
Robert J. O'Toole	17,694(19)	*
Peter M. Platten, III	372,089(20)	*
Robert A. Schaefer	170,693(21)	*
John S. Shiely	34,000(22)	*
James A. Urdan	131,038(23)	*
Debra S. Waller	15,000(24)	*
George E. Wardeberg	56,046(25)	*
James B. Wigdale	2,077,635(26)	*

All current directors and executive officers of the Company as a group (35 persons) own 13,066,982 shares of Common Stock or 5.7% of the total Common Stock outstanding. (27)

*less than 1%

- (1) Except as indicated below, all shares shown in the table are owned with sole voting and investment power. Includes options transferred to the employee's immediate family or trust or partnership for the benefit thereof.

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- (2) This information is based on Amendment No. 24 to Schedule 13-G filed on February 14, 2005. All such shares are owned by wholly-owned subsidiaries of the Company as trustee or in other fiduciary capacities. The subsidiaries are Marshall & Ilsley Trust Company N.A. (the Trust Company) and M&I Investment Management Corp. Of these shares, one or more of the subsidiaries has sole voting power as to 3,178,943

shares, shared voting power as to 11,424,209 shares, sole investment power as to 4,597,376 shares and shared investment power as to 12,115,070 shares. The amount and percentage of shares beneficially owned, and the amount of shares to which the Trust Company has shared voting or investment power, include 10,674,024 shares held by the Trust Company as to which the Company and the Trust Company disclaim beneficial ownership.

- (3) This information is based on Amendment No. 16 to Schedule 13-G filed on February 10, 2005. Of these shares, 7,688,456 are owned directly by The Northwestern Mutual Life Insurance Company (NML), 68,600 are owned by investment company affiliates of NML and 6,297,990 are owned by Lydell, Inc., an indirect, wholly-owned subsidiary of NML. NML has shared voting and investment power as to all of these shares. NML has agreed to notify the FRB prior to acquiring additional shares such that NML's total investment in the Company would exceed 9.9% of the Company's total outstanding Common Stock or prior to taking any other action that would trigger any rebuttable presumption of control under FRB regulations.
- (4) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005.
- (5) Includes 15,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 28,390 shares held in the M&I Retirement Program. Includes 3,150,506 shares held in a partnership for the benefit of family members. Mr. Andreas has sole voting power and shared investment power but no pecuniary interest in these shares.
- (6) Does not include 700,000 shares which are held in a family limited liability company of which Mr. Baur is a member but over which Mr. Baur has no voting or investment power.
- (7) Includes 45,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 33,601 shares held in the Company's deferred compensation plan for directors.
- (8) Includes shares held by Mr. Daniels as of March 1, 2005.
- (9) Includes 284,799 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 153 shares held in the M&I Retirement Program and 39,662 shares held in the Company's deferred compensation plan for executives.
- (10) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 2,400 shares held by Mr. Jacobs' family as to which he disclaims beneficial ownership, and 16,081 shares held under the Company's deferred compensation plan for directors.
- (11) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005. Includes 57,500 shares held by trust for which Mr. Kellner exercises shared voting and investment power, 464,800 shares held in the Kellner Family Limited Partnership as to which he disclaims beneficial ownership in excess of his pecuniary interest, 127,200 shares as to which Mr. Kellner exercises sole voting power and 5,225 shares held under the Company's deferred compensation plan for directors.
- (12) Includes 1,423,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 22,635 shares as to which Mr. Kuester exercises sole voting power, 338 shares held in the M&I Retirement Program, and 46,937 shares held in the Company's deferred compensation plan for executives.
- (13) Includes 40,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005.
- (14) Includes 53,333 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 14,336 shares held in the Company's deferred compensation plan for executives.

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- (15) Includes 15,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 1,200 shares held by trust as to which he disclaims beneficial ownership, and 2,297 shares held under the Company's deferred compensation plan for directors.

- (16) Includes 45,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 3,071 shares held by Mr. Meyer's family as to which he disclaims beneficial ownership and 10,148 shares held under the Company's deferred compensation plan for directors.
- (17) Includes 45,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 838,308 shares held by trusts for which Mr. Orr exercises shared voting and investment power and as to which Mr. Orr disclaims beneficial ownership, and 33,606 shares held under the Company's deferred compensation plan for directors.
- (18) Includes 202,666 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 4,965 shares held in the M&I Retirement Program, and 14,729 shares held in the Company's deferred compensation plan for executives.
- (19) Includes 15,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 2,694 shares held under the Company's deferred compensation plan for directors.
- (20) Includes 40,000 shares of which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 10,886 shares held by Mr. Platten's family as to which he disclaims beneficial ownership, and 210,175 shares as to which Mr. Platten exercises sole voting power.
- (21) Includes 35,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 6,213 shares held under the Company's deferred compensation plan for directors.
- (22) Includes 30,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005.
- (23) Includes 25,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005. 42,038 shares held under the Company's deferred compensation plan for directors and 14,400 shares held by Mr. Urdan's family as to which he disclaims beneficial ownership.
- (24) Includes 15,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005.
- (25) Includes 40,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005 and 16,046 shares held under the Company's deferred compensation plan for directors.
- (26) Includes 1,390,000 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 23,756 shares held by Mr. Wigdale's family as to which he disclaims beneficial ownership, and 28,176 shares held in the M&I Retirement Program.
- (27) Includes 4,764,459 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2005, 167,950 shares held in the company's deferred compensation plan for directors, 191,832 shares held in the Company's deferred compensation plan for executives, 87,890 shares held in the M&I Retirement Program and 43,450 shares of restricted stock as to which the holders exercise sole voting power.

In addition to the ownership of Company Common Stock described above, as of February 17, 2005, each of Messrs. Baur, Kuester, Orr, Shiely, Urdan and Wigdale beneficially owns a total of 28 shares of Series A Adjustable Rate Preferred Stock (the "Preferred Stock") of M&I Zion Investment II Corporation and M&I Marshall & Ilsley Investment II Corporation, two of the Company's subsidiaries formed as real estate investment trusts (the "M&I REIT Subsidiaries"). Mr. Kuester's wife also owns a total of 28 shares of Preferred Stock of the M&I REIT Subsidiaries. Mr. Kuester disclaims beneficial ownership of these shares. Each such person owns less than 1% of the outstanding Preferred Stock of each subsidiary. All current directors and executive officers as a group beneficially own a total of 364 shares of Preferred Stock of the

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M&I REIT Subsidiaries, representing 1.2% of the Preferred Stock of each subsidiary. In addition, each of Messrs. Baur and Furlong beneficially owns 3 shares of preferred stock of SWB Investment II Corporation, which is also a subsidiary of the Company formed as a real estate investment trust. All current directors and executive officers as a group beneficially own a total of 13 shares of preferred stock of SWB Investment II Corporation, representing 1.4% of the preferred stock of such company.

1. ELECTION OF DIRECTORS

The Company's Restated Articles of Incorporation provide that the Company's directors are divided into three classes, designated Class I, Class II and Class III, with staggered terms of three years each. At the Annual Meeting, shareholders will elect five Class III directors to serve until the Company's 2008 Annual Meeting of Shareholders and, with respect to each director, until his or her successor is elected and qualified. Each incumbent Class III director's term expires at the 2005 Annual Meeting. Messrs. Baur, Mellows, O Toole and Shiely are standing for re-election. David L. Andreas and Robert A. Schaefer are not standing for re-election. The Company expresses its gratitude to Messrs. Andreas and Schaefer for their loyal service. Messrs. Kuester and Wigdale recommended Mr. Daniels to the Nominating Committee as a candidate for director. After consideration, the Nominating Committee recommended Mr. Daniels as a candidate to the full Board. The following table sets forth certain information with regard to each of the nominees for election as a director as well as each of the Company's continuing Class I and Class II directors.

Directors are elected by a plurality of the votes cast by holders of the Company's Common Stock entitled to vote at a meeting at which a quorum is present. In other words, the five nominees who receive the largest number of votes will be elected as directors. Any shares not voted, whether by withheld authority, broker non-vote or otherwise, will have no effect in the election of directors except to the extent that the failure to vote for an individual results in another individual receiving a larger number of votes. Any votes attempted to be cast against a candidate are not given legal effect and are not counted as votes cast in an election of directors.

The Board of Directors recommends a vote FOR the election of each of the individuals nominated to serve as a Class III director.

NOMINEES STANDING FOR ELECTION

Name and Age (as of March 1, 2005)	Principal Occupation and Directorships
<i>Class III Directors</i>	
Andrew N. Baur Age 60	Chairman of the Board of Southwest Bank of St. Louis, a wholly owned subsidiary of the Company, since October 2002; Former Chairman of the Board and Chief Executive Officer of Mississippi Valley Bancshares, Inc., a bank holding company, and its subsidiary, Southwest Bank of St. Louis, from 1984 to September 2002. Also a director of Bakers Footwear Group, Inc., Wausau-Mosinee Paper Corporation (Wausau Paper), Orgill, Inc. and St. Louis Cardinals, L.P. A Director since October 2002.
John W. Daniels, Jr. Age 56	Partner (Executive Committee), Quarles & Brady, L.L.P., a law firm, from 1981 to present. Chairman of the Board of North Milwaukee State Bank, 1997 to February, 2005. National President, American College of Real Estate Lawyers. Also a director of V&J Foods, Inc., Metropolitan Milwaukee Association of Commerce, Medical College of Wisconsin, Wisconsin United for Health Foundation, Inc., Greater Milwaukee Committee and Ralph Evinrude Foundation.
John A. Mellows Age 66	Chairman and Chief Executive Officer since 1980 of Charter Manufacturing Company, Inc., a producer of bar, rod, wire and wire parts for the auto industry and other industries. Also a director of Twin Disc, Inc., YMCA of Metropolitan Milwaukee and Junior Achievement of Wisconsin, Inc., and a member of the Board of Regents of the Milwaukee School of Engineering. A Director since April 2002.
Robert J. O Toole Age 64	Chairman of the Board since 1992, Chief Executive Officer since 1989 and President from 1989 to 2003 of A. O. Smith Corporation, a manufacturer of electric motors and water systems technologies. Also a director of Briggs & Stratton Corporation and Factory Mutual Insurance Company. A Director since April 2002.

Name and Age (as of March 1, 2005)	Principal Occupation and Directorships
John S. Shiely Age 52	Chairman of the Board since January 2003, President and Chief Executive Officer since 2001, President and Chief Operating Officer from 1994 to 2001, Executive Vice President-Administration from 1991 to 1994, Briggs & Stratton Corporation, a manufacturer of gasoline engines for outdoor power equipment. Also a director of Quad/Graphics Inc., Cleveland Rock and Roll, Inc. (corporate board of the Rock and Roll Hall of Fame and Museum), Chairman of the Board of Children's Hospital of Wisconsin, Inc. and a member of the Board of Trustees of the Medical College of Wisconsin. A Director since April 1999.

CONTINUING DIRECTORS

Class I Directors (terms expiring April 2006)

Richard A. Abdo Age 61	Retired; Chairman of the Board and Chief Executive Officer from May 1991 to April 2004 and President from May 1991 to April 2003 of Wisconsin Energy Corporation, a holding company with subsidiaries in utility and nonutility businesses. Chairman of the Board since June 1990 and Chief Executive Officer from June 1990 to June 2003 of We Energies. Also a director of AK Steel Corporation and Catalytica Energy Systems, Inc. A Director since July 1994.
Ted D. Kellner Age 58	Chairman and Chief Executive Officer of Fiduciary Management, Inc., an investment management firm, since 1980. Also a director of American Family Mutual Insurance Company, Mason Wells, H&K Partners, LLC and Kelben Foundation, Inc. A Director since April 2000.
Katharine C. Lyall Age 63	Retired; President of the University of Wisconsin System from 1992 to September 2004. Also a director of Alliant Energy Corporation, Carnegie Foundation for the Advancement of Teaching and United Way of Dane County (Wisconsin). A Director since December 1997.
Peter M. Platten, III Age 65	Retired; Vice Chairman of the Board of the Company from May 1994 to May 1997; Former President and Chief Executive Officer, January 1989 to May 1994, Valley Bancorporation, a bank holding company; Director since 1980 and Corporate Secretary since May 1985 of Green Bay Packers, Inc. A Director since May 1994.
James A. Urdan Age 73	Retired Partner, Quarles & Brady, L.L.P., a law firm. A Director since April 2001.
James B. Wigdale Age 68	Retired; Chairman of the Board of the Company from December 1992 to December 2004, Chief Executive Officer of the Company from October 1992 to December 2001, Vice Chairman of the Board of the Company from December 1988 to December 1992; Chairman of the Board, January 1989 to October 2001, Chief Executive Officer, September 1987 to October 2001, and Director since 1981 of M&I Marshall & Ilsley Bank. Also a director of Green Bay Packaging Inc. and Sentry Insurance. A Director since 1988.

Name and Age (as of March 1, 2005)	Principal Occupation and Directorships
<i>Class II Directors (terms expiring April 2007)</i>	
Jon F. Chait Age 54	Chairman of the Board and Chief Executive Officer of Hudson Highland Group, Inc., formerly a division of Monster Worldwide Inc., a global provider of professional staffing, retained executive search and human capital solutions, since October 2002; Chairman of Spring Group, plc, a provider of workforce management solutions, May 2000 through June 2002 and Chief Executive Officer from May 2000 to March 2002; Chairman and Chief Executive Officer of Magenta.com, a developer of web-enabled human resource solutions, July 1998 to May 2000; Executive Vice President, Secretary and Director, August 1991 to July 1998, Managing Director-International Operations, 1995 to July 1998, Chief Financial Officer, August 1993 to 1995, Manpower Inc. and Executive Vice President, September 1989 to July 1998, Manpower International Inc., a provider of temporary employment services. Also a director of Krueger International, Inc. A Director since 1990.
Bruce E. Jacobs Age 57	President and Chief Executive Officer of Grede Foundries, Inc., a manufacturer of gray and ductile iron, steel and alloyed castings, since 1994. Also a director of Walker Forge, Inc. and YMCA of Metropolitan Milwaukee. A Director since April 2001.
Dennis J. Kuester Age 62	Chairman of the Board since January 2005, Chief Executive Officer since January 2002 and President since 1987 of the Company; Chairman of the Board and Chief Executive Officer since October 2001, President from 1989 to October 2001 and Director since 1989, M&I Marshall & Ilsley Bank; Chairman of the Board, Metavante Corporation and Director of Marshall & Ilsley Trust Company National Association. Also a director of Modine Manufacturing Company, Wausau-Mosinee Paper Corporation (Wausau Paper), Krueger International, Inc., Super Steel Products Corp., YMCA of Metropolitan Milwaukee and Froedtert Hospital, and Chairman of the Board of Christian Stewardship Foundation. A Director since February 1994.
Edward L. Meyer, Jr. Age 67	Vice Chairman, Sanimax Corporation since January 2005; Chairman of the Board, Anamax Corporation, a processor of hides and skins and manufacturer of various rendered products, from 1997 to January 2005. A Director since May 1994.
San W. Orr, Jr. Age 63	Chairman of the Board and Director, Wausau-Mosinee Paper Corporation (Wausau Paper); Attorney, Estate of A.P. Woodson & Family. Also a director of The Aytchmonde Woodson Foundation, Inc. and Nancy Woodson Spire Foundation, Inc. and Chairman of the Board of the University of Wisconsin Foundation. A Director since July 1994.
Debra S. Waller Age 48	Chairman of the Board and Chief Executive Officer of Jockey International, Inc., an undergarment manufacturer, since January 2001, formerly Vice Chairman of the Board from February 2000 to January 2001, Assistant to the President from 1995 to January 2001 and Executive Vice President from 1995 to 2000. Also a director of Church Mutual Insurance Company and Dave Thomas Foundation for Adoption and a trustee of Carthage College.
George E. Wardeberg Age 69	Retired; Vice Chairman of the Board, Wisconsin Energy Corporation, a holding company with subsidiaries in utility and nonutility businesses, from April 2000 to May 2002; Chairman of the Board and Chief Executive Officer from 1997 to 2000, President and Chief Executive Officer from 1994 to 1997, WICOR, Inc., a holding company with subsidiaries in energy services and pump manufacturing. Also a director of Twin Disc, Inc., Wisconsin Energy Corporation and Benz Oil, Inc. A Director since April 1999.

CORPORATE GOVERNANCE MATTERS

Board of Directors

The Board of Directors has determined that as of February 17, 2005, 14 of 19 (74%) of the current directors of M&I are independent under the listing standards of the New York Stock Exchange (the NYSE Standards) and the categorical independence standards adopted by the Board. The independent directors are: Ms. Lyall, Ms. Waller and Messrs. Abdo, Chait, Jacobs, Mellowes, Meyer, Orr, O Toole, Platten, Schaefer, Shiely, Urdan and Wardeberg.

Under the Company's categorical standards, a director will not fail to be deemed independent solely as a result of banking or other business relationships between the Company and its subsidiaries, on the one hand, and the director or a company with which the director is affiliated, on the other hand, provided that:

such banking relationships are in the ordinary course of business of the Company and are on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons;

any extensions of credit by the Company or its subsidiaries to any such person or company have been made in compliance with applicable securities and banking laws and regulations, and no event of default has occurred and is continuing under the loan; and

such business relationships would not cause the director not to be independent under the listing standards of the New York Stock Exchange.

The complete text of the categorical standards is available on M&I's website as described below.

The non-management directors of M&I have regularly scheduled executive sessions. The Board of Directors, based upon the review and recommendation of the Nominating and Corporate Governance Committee (the Nominating Committee), has appointed Mr. Urdan to preside at the executive sessions of the non-management directors. Parties who wish to communicate directly with the presiding director or with the non-management directors as a group may direct written communications to Mr. Urdan at:

Mr. James A. Urdan

c/o Secretary

Marshall & Ilsley Corporation

770 North Water Street

Milwaukee, Wisconsin 53202

The Secretary of the Company will forward all communications to Mr. Urdan unless otherwise instructed by the non-management directors.

The Board of Directors of the Company has Compensation and Human Resources, Audit, Nominating, Retirement Investment, and Executive Committees. The Board of Directors has adopted written charters for all of its standing committees. The charters for the Compensation and Human Resources, Audit, and Nominating Committees are available on the Company's web site described below.

Directors are expected to attend each regular and special meeting of the Board and of each Board committee on which the director serves. Directors are also expected to attend the Annual Meeting. Although the Company's By-laws authorize members of the Board and Board committees to participate in and act at a meeting through the use of telephonic or other communication equipment, the personal attendance of directors at such meetings is preferred. The Board of Directors held seven meetings and took action by written consent twice in 2004. Each incumbent director attended at least 75% of the meetings of the Board and Board committees on which the director served except for Mr. Mellowes, who was absent from two meetings of the Board. All of the Company's current directors attended last year's Annual Meeting.

Corporate Governance Documents

Certain documents relating to corporate governance matters are available on the Company's web site at www.micorp.com. These documents include, among others, the following:

Charter for the Audit Committee of the Board of Directors;

Charter for the Compensation and Human Resources Committee of the Board of Directors;

Charter for the Nominating Committee of the Board of Directors;

Categorical Standards for Lending, Banking and Other Business Relationships Involving the Company's Directors;

Corporate Governance Guidelines; and

Code of Business Conduct and Ethics.

Shareholders also may obtain a copy of any of these documents free of charge by calling the M&I Shareholder Information Line at 1-800-318-0208. Information contained on any of M&I's web sites is not deemed to be a part of this Proxy Statement.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee (the "Compensation Committee") is responsible for (a) evaluating and approving the executive officer benefit, bonus, incentive compensation, severance, equity-based or other compensation plans, policies and programs of the Company, (b) administering the Company's compensation plans, including the Executive Stock Option and Restricted Stock Plans, the 1994 Long-Term Incentive Plan and the Annual Executive Incentive Compensation Plan, and (c) producing an annual report on executive compensation for inclusion in the Company's Proxy Statement. The current members of the Compensation Committee are Messrs. Wardeberg (Chairman), O Toole and Shiely, all of whom are independent under the NYSE Standards. The Compensation Committee held seven meetings in 2004.

Audit Committee

The Audit Committee is a separately-designated standing committee of the Board of Directors as defined by Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The Audit Committee has responsibility for (a) appointing or replacing the Company's independent auditors, (b) overseeing the work of the independent auditors (including resolution of any disagreements between management and the auditors regarding financial reporting), (c) reviewing the independent auditors' performance, qualifications and independence, (d) approving all auditing and permitted non-auditing services to be performed by the independent auditors with limited exceptions, (e) reviewing the Company's financial statements, internal audit function and system of internal controls, (f) overseeing compliance by the Company with legal and regulatory requirements and with the Company's Code of Business Conduct and Ethics, and (g) producing the report required by federal

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securities regulations for inclusion in the Company's Proxy Statement. The current members of the Audit Committee are Messrs. Orr (Chairman), Jacobs and Ms. Lyall, all of whom are independent under the NYSE Standards. The Board has determined that Mr. Orr is an audit committee financial expert and independent as defined under applicable Securities and Exchange Commission rules. The Audit Committee held 11 meetings in 2004.

Nominating Committee

The Nominating Committee is responsible for (a) identifying new candidates who are qualified to serve as directors of the Company, (b) recommending to the Board of Directors the candidates for election to the Board and for appointment to the Board's committees, (c) considering any nominations for director submitted by shareholders, (d) developing, and recommending to the Board, and thereafter periodically reviewing, the Corporate Governance Guidelines and principles applicable to the Company, and (e) monitoring and advising the

Board on corporate governance matters and practices. The members of the Nominating Committee are Messrs. Platten (Chairman), Chait and Urdan, all of whom are independent under the NYSE Standards. The Nominating Committee held three meetings in 2004.

The Nominating Committee will consider candidates nominated by shareholders in accordance with the procedures set forth in the Company's By-laws. Under the Company's By-laws, nominations other than those made by the Board of Directors or the Nominating Committee, must be made pursuant to timely notice in proper written form to the Secretary of the Company. To be timely, a shareholder's request to nominate a person for election to the Board, together with the written consent of such person to serve as a director, must be received by the Secretary of the Company not less than 90 days prior to the anniversary date of the annual meeting of shareholders in the immediately preceding year. To be in proper written form, the notice must contain certain information concerning the nominee and the shareholder submitting the nomination.

Under the Company's By-laws, no person is eligible to be elected a director at a meeting of shareholders held on or after the date he or she attains the age of 72, although the Board, at its discretion, may waive the age limitation or establish a greater age from time to time. In addition, the Nominating Committee has adopted guidelines for evaluating and selecting candidates for election to the Board of Directors. Under these guidelines, each director should:

be an individual of the highest character and integrity and have an inquiring mind, vision and the ability to work well with others;

be free of any conflict of interest which would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;

possess substantial and significant experience which would be of value of the Company in the performance of the duties of a director;
and

have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director.

The Nominating Committee will evaluate eligible shareholder-nominated candidates for election to the Board of Directors in accordance with the selection guidelines. The full text of the guidelines can be found in the Nominating Committee's charter, which is available on the Company's web site described above.

Retirement Investment Committee

The Retirement Investment Committee is responsible for reviewing the activities of and decisions made by the trustees of, and the investment managers for, the Company's Retirement Program. The members of the Retirement Investment Committee are Messrs. Kellner (Chairman), Abdo and Chait. The Retirement Investment Committee held three meetings in 2004.

Executive Committee

The Executive Committee has the authority to act on behalf of the full Board of Directors in managing the business and affairs of the Company when the Board of Directors is not in session. The current members of the Executive Committee are Messrs. Kuester (Chairman), Abdo,

Jacobs, Urdan, Wardeberg and Wigdale. The Executive Committee held four meetings in 2004.

LOANS AND OTHER TRANSACTIONS WITH THE COMPANY

Customers of the bank subsidiaries of the Company include nominees, directors and officers of the Company and their associates. Since January 1, 2004, such persons and firms have been indebted to the

Company's bank subsidiaries for loans made in the ordinary course of business. All such loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others and did not involve more than the normal risk of collectibility or present other unfavorable features. In addition to loans, bank subsidiaries of the Company provide other banking services in the ordinary course of business to directors and executive officers and their associates.

From time to time, directors and officers of the Company and their associates may sell shares of their Common Stock to the Company pursuant to the Company's stock repurchase program. The purchase price for any such sales is the prevailing market price at the time of such sale.

On December 15, 2004, the Company entered into a consulting agreement with Mr. Wigdale. Under the consulting agreement, Mr. Wigdale agreed to consult with the executive officers and Board of Directors of the Company and its affiliates with respect to such matters as may be reasonably requested by the Company, and to continue to foster and maintain relationships with area businesses and community-based organizations on the Company's behalf. The consulting agreement will remain in effect for as long as Mr. Wigdale continues to serve on the Board of Directors, unless it is sooner terminated by the mutual written consent of the parties or by Mr. Wigdale's disability such that he is unable to perform his duties.

Mr. Wigdale will not receive any cash remuneration under the consulting agreement. As compensation for the services described above, Mr. Wigdale will receive reimbursement for all reasonable travel and other expenses incurred in the performance of his duties under the consulting agreement; continued access to the Company's facilities and services, with secretarial services and office space sufficient for Mr. Wigdale to perform his duties; a company car; access to the company aircraft for company business use or personal use subject, in the case of personal use, to an annual maximum of \$30,000; club dues; and financial planning services. The maximum annual benefit provided by the Company on behalf of Mr. Wigdale for his personal expenses is limited to \$50,000, after which Mr. Wigdale must reimburse the Company for the excess amount.

In connection with the Company's merger with Mississippi Valley Bancshares, Inc. on October 1, 2002, Mr. Baur entered into an employment agreement with M&I Marshall & Ilsley Bank under which Mr. Baur was employed until December 31, 2004. Under this agreement, Mr. Baur received a base salary of \$311,000 per year and an annual incentive bonus of \$200,000, and was entitled to certain other benefits, including the right to participate in M&I's benefit and qualified retirement plans, the use of a car, and the payment of club dues until he reaches the age of 65 in 2009. Mr. Baur also will be provided with office space until December 31, 2009 and health insurance coverage until he reaches the age of 65 and, thereafter, he will be entitled to participate in M&I's Medicare supplemental insurance plan. Mr. Baur is entitled to receive payments of \$2,000 per month until he reaches the age of 65.

On December 15, 2004, Southwest Bank of St. Louis, a subsidiary of the Company, entered into a consulting agreement with Mr. Baur under which, beginning on January 1, 2005, Mr. Baur agreed to consult with the executive officers and Board of Directors of Southwest and its affiliates with respect to such matters as may reasonably be requested by Southwest or its affiliates. Mr. Baur will continue to serve as the Chairman of the Board of Southwest, and will maintain continued involvement with area businesses and community-based organizations on Southwest's behalf and continue to cultivate business development and expansion opportunities within Missouri and the surrounding markets. The consulting agreement will remain in effect until it is terminated by written notice, at least 90 days in advance, by either of the parties, or by Mr. Baur's death or disability such that he is unable to perform his duties.

As compensation for such services, Southwest will pay Mr. Baur a consulting fee equal to \$10,000 per month, in addition to the \$2,000 monthly payment payable to Mr. Baur during the term of the consulting agreement under the post-employment obligations of the employment agreement described above. Southwest will also pay or reimburse Mr. Baur for all reasonable travel and other expenses incurred by Mr. Baur in performance of his duties under the consulting agreement, and will continue to provide Mr. Baur with a company car.

A son of each of Messrs. Baur and Wigdale and a daughter and former daughter-in-law of Mr. Kuester were employed by the Company or its subsidiaries and received compensation and benefits that exceeded \$60,000 in 2004. None of these employees was an executive officer of the Company. The compensation and benefits received by each were established by the Company in accordance with its employment and compensation practices applicable to employees holding comparable positions. Messrs. Baur, Kuester and Wigdale are not among the directors who have been determined by the Board of Directors to be independent under the NYSE Standards and the categorical independence standards adopted by the Board.

In June 2004, the Company paid approximately \$273,000 to Fiduciary Real Estate Development, Inc., an affiliate of Mr. Kellner, to resolve a matter that arose in connection with services provided by the Company to Fiduciary Real Estate Development. The resolution was the product of arm's-length negotiations by the parties and was approved by the Company's Audit Committee. Mr. Kellner is not among the directors who have been determined by the Board of Directors to be independent under the NYSE Standards and the categorical independence standards adopted by the Board.

During 2004, the Company retained Quarles & Brady, L.L.P., a law firm in which Mr. Daniels is a Partner, to provide legal services to the Company and its subsidiaries.

SUMMARY COMPENSATION TABLE

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u> <u>(\$)(1)</u>	<u>Bonus</u>	<u>Long Term Compensation</u>	
				<u>Awards</u>	<u>Payouts</u>