

MARSHALL & ILSLEY CORP  
Form DEF 14A  
March 11, 2008  
Table of Contents

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

**SCHEDULE 14A**  
**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 Rule 14a-12

**MARSHALL & ILSLEY CORPORATION**

(Name of Registrant as Specified In Its Charter)

**Not applicable.**

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

Payment of Filing Fee (Check the appropriate box):

- x 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 the transaction applies:

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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**Table of Contents**

**MARSHALL & ILSLEY CORPORATION**

**770 North Water Street**

**Milwaukee, Wisconsin 53202**

***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS***

**April 22, 2008**

TO THE SHAREHOLDERS OF MARSHALL & ILSLEY CORPORATION:

The 2008 Annual Meeting of Shareholders of Marshall & Ilesley Corporation (the Company) will be held at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin, on Tuesday, April 22, 2008 at 10:00 a.m., local time, for the following purposes:

- (1) To elect 11 individuals to serve as directors;
- (2) To approve the Marshall & Ilesley Corporation Amended and Restated 1994 Long-Term Incentive Plan;
- (3) To ratify the appointment of Deloitte & Touche LLP to audit the financial statements of the Company for the fiscal year ending December 31, 2008;
- (4) To vote on a shareholder proposal to request the Company's Board of Directors to initiate a process to amend the Company's articles of incorporation to provide for majority election of directors in non-contested elections; and
- (5) 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 February 26, 2008 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 submitting a proxy as instructed in the Notice of Internet Availability or, as applicable, in the enclosed envelope. 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 final vote of the Annual Meeting. In addition, you may revoke your proxy at any time before it is voted by advising the Secretary of the Company in writing or by telephone of such revocation, or by voting again at a later date on the Internet or over the telephone. Only the latest Internet or telephone proxy submitted by a shareholder prior to the Annual Meeting will be voted.**

**If your shares are held in street name (through a broker, bank or other nominee), you may need to contact your broker, bank or other nominee to determine how to vote electronically using the Internet or telephonically, or what is required to vote your shares in person at the Annual Meeting.**

GINA M. McBRIDE, *Vice President and Secretary*

March 11, 2008

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>PROXY STATEMENT</u>	1
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS</u>	3
<u>PROPOSAL 1. ELECTION OF DIRECTORS</u>	6
<u>NOMINEES STANDING FOR ELECTION</u>	7
<u>CONTINUING DIRECTORS</u>	10
<u>CORPORATE GOVERNANCE MATTERS</u>	12
<u>LOANS AND OTHER TRANSACTIONS WITH THE COMPANY</u>	15
<u>EXECUTIVE COMPENSATION</u>	18
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	18
<u>COMPENSATION AND HUMAN RESOURCES COMMITTEE REPORT</u>	28
<u>SUMMARY COMPENSATION TABLE</u>	29
<u>GRANTS OF PLAN-BASED AWARDS IN FISCAL 2007</u>	31
<u>OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END</u>	33
<u>OPTION EXERCISES AND STOCK VESTED IN FISCAL 2007</u>	34
<u>PENSION BENEFITS</u>	35
<u>NONQUALIFIED DEFERRED COMPENSATION IN FISCAL 2007</u>	36
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL</u>	37
<u>DIRECTOR COMPENSATION FOR FISCAL 2007</u>	40
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	42
<u>AUDIT COMMITTEE REPORT</u>	43
<u>PROPOSAL 2. AMENDED AND RESTATED 1994 LONG-TERM INCENTIVE PLAN FOR EXECUTIVES</u>	44
<u>PROPOSAL 3. RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS</u>	48
<u>PROPOSAL 4. SHAREHOLDER PROPOSAL: MAJORITY ELECTION OF DIRECTORS</u>	49
<u>SUBMISSION OF SHAREHOLDER PROPOSALS</u>	51
<u>PENDING LEGAL PROCEEDINGS</u>	51
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	51
<u>OTHER VOTING INFORMATION</u>	51
<u>OTHER MATTERS</u>	52
Appendix A: <u>Categorical Standards for Lending, Banking and Other Business Relationships Involving Marshall &amp; Ilsley Corporation Directors</u>	A-1
Appendix B: <u>Marshall &amp; Ilsley Corporation Amended and Restated 1994 Long-Term Incentive Plan</u>	B-1

**Table of Contents**

**MARSHALL & ILSLEY CORPORATION**

**770 North Water Street**

**Milwaukee, Wisconsin 53202**

**March 11, 2008**

***Proxy Statement***

This document relates to the solicitation of proxies by the Board of Directors of Marshall & Ilsley 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 22, 2008 at the Pabst Theater, 144 East Wells Street, Milwaukee, Wisconsin. At the Annual Meeting, the shareholders of the Company will vote on proposals (1) to elect 11 individuals to serve as directors, (2) to approve the Marshall & Ilsley Corporation Amended and Restated 1994 Long-Term Incentive Plan, (3) to ratify the appointment of Deloitte & Touche LLP as the Company's independent auditors for the fiscal year ending December 31, 2008, and (4) to vote on a shareholder proposal to request the Company's Board of Directors to initiate a process to amend the Company's articles of incorporation to provide for majority election of directors in non-contested elections.

Under new rules adopted by the Securities and Exchange Commission, the Company is making this Proxy Statement and the Company's Annual Report to Shareholders available on the Internet instead of mailing a printed copy of these materials to each shareholder. Shareholders who received a Notice of Internet Availability of Proxy Materials (the "Notice") by mail will not receive a printed copy of these materials other than as described below. Instead, the Notice contains instructions as to how shareholders may access and review all of the important information contained in the materials on the Internet, including how shareholders may submit proxies by telephone or over the Internet.

**If you received the Notice by mail and would prefer to receive a printed copy of the Company's proxy materials, please follow the instructions for requesting printed copies included in the Notice.**

The expense of this solicitation will be borne by the Company. No solicitation other than by mail and via the Internet 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, plus administrative costs and any reasonable out-of-pocket disbursements. The Notice was sent to the Company's shareholders commencing on or about March 11, 2008.

Each shareholder of record at the close of business on February 26, 2008 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 February 26, 2008, the Company had 258,912,593 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.

Shareholders may revoke or change their proxies at any time before the final vote at the Annual Meeting by advising the Secretary of the Company in writing or by telephone of such revocation, or by voting again at a later date on the Internet or over the telephone. Only the latest Internet or telephone proxy submitted by a shareholder prior to the Annual Meeting will be counted.

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 voting materials 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.

## **Table of Contents**

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 your proxy voting materials and will be voted at the Annual Meeting in the same manner in which you vote those shares registered in your name. Plan shares not voted by participants will be voted by the plan administrator or trustee in accordance with the terms of the respective plan.

**Unless otherwise directed, all proxies will be voted FOR the election of each of the individuals nominated to serve as a director, FOR approval of the Marshall & Ilsley Corporation Amended and Restated 1994 Long-Term Incentive Plan, FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent auditors, and AGAINST the shareholder proposal to request the Company's Board of Directors to initiate a process to amend the Company's articles of incorporation to provide for majority election of directors in non-contested elections. 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.**

**Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting: This Proxy Statement and the Company's Annual Report to Shareholders are available for review on the Internet. Instructions on how to access and review the materials on the Internet can be found on the Notice or, as applicable, on the accompanying proxy card.**

### *Explanatory Note*

Prior to November 1, 2007, Marshall & Ilsley Corporation consisted of two reportable business segments: Banking and Data Services (or Metavante). On November 1, 2007, Marshall & Ilsley Corporation separated the Banking and Data Services businesses into two separate publicly-traded companies: new Marshall & Ilsley Corporation and Metavante Technologies, Inc. (formerly known as Metavante Corporation and referred to in this Proxy Statement as Metavante). This event and the related transactions are referred to in this Proxy Statement as the Separation. The company known as Marshall & Ilsley Corporation prior to November 1, 2007 became a wholly-owned subsidiary of new Marshall & Ilsley Corporation (the ultimate parent company of the Banking business) and was converted into a limited liability company named M&I LLC. Where applicable, the company formerly known as Marshall & Ilsley Corporation and now known as M&I LLC is referred to in this Proxy Statement as Old M&I. Also on November 1, 2007, the company that is now the ultimate parent company of the Banking business changed its name to Marshall & Ilsley Corporation.

Unless otherwise noted, when describing employment history, compensation and other matters in this Proxy Statement, Marshall & Ilsley Corporation is treated as the successor to Old M&I. When used in this Proxy Statement, the terms Company and M&I refer to both Marshall & Ilsley Corporation since November 1, 2007 and Old M&I prior to November 1, 2007.



**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table lists as of January 31, 2008 (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 & Ilsley Corporation	16,230,976(2)	6.1%
770 North Water Street		
Milwaukee, WI 53202		
Malcolm M. Aslin	148,519(3)	*
Andrew N. Baur	97,741(4)	*
Jon F. Chait	75,392(5)	*
John W. Daniels, Jr.	25,564(6)	*
Mark F. Furlong	867,646(7)	*
Ted D. Kellner	405,906(8)	*
Kenneth C. Krei	213,796(9)	*
Dennis J. Kuester	2,307,104(10)	*
David J. Lubar	41,058(11)	*
Katharine C. Lyall	63,326(12)	*
John A. Mellows	50,167(13)	*
San W. Orr, Jr.	1,028,825(14)	*
Thomas J. O'Neill	500,674(15)	*
Robert J. O'Toole	49,707(16)	*
Peter M. Platten, III	306,826(17)	*
John S. Shiely	65,166(18)	*
Gregory A. Smith	70,714(19)	*
Debra S. Waller	27,230(20)	*
George E. Wardeberg	78,256(21)	*
James B. Wigdale	1,898,327(22)	*

All current directors and executive officers of the Company as a group (34 persons) own 10,937,894 shares of Common Stock or 4.1% of the total Common Stock outstanding. (23)

\*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.
- (2) This information is based on Amendment No. 27 to Schedule 13G filed on February 14, 2008. 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 National Association (M&I Trust Company) and M&I Investment Management Corp. Of these shares, one or more of the subsidiaries has sole voting power as to 4,867,999 shares, shared voting power as to 11,245,674 shares, sole dispositive power as to 4,863,670 shares and shared dispositive power as to 11,367,306 shares. The amount and percentage of shares beneficially owned, and the amount of shares to

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which M&I Trust Company has shared voting or investment power, include 9,733,466 shares held by M&I Trust Company as to which the Company and M&I Trust Company disclaim beneficial ownership.

- (3) Includes 13,362 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 225 shares held by Mr. Aslin's family as to which he disclaims beneficial ownership and

**Table of Contents**

1,841 shares held in the Company's deferred compensation plan for directors. Of the shares of common stock beneficially owned by Mr. Aslin, 117,828 shares are pledged as security.

- (4) Includes 20,043 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 1,939 shares in the Company's deferred compensation plan for directors. Does not include 350,000 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.
- (5) Includes 36,745 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 38,647 shares held in the Company's deferred compensation plan for directors.
- (6) Includes 20,043 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 5,002 shares held under the Company's deferred compensation plan for directors.
- (7) Includes 749,644 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 615 shares held in the M&I Retirement Program and 117,387 shares held under the Company's deferred compensation plan for executives.
- (8) Includes 45,096 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008. Includes 49,998 shares held in trust for which Mr. Kellner exercises shared voting power, 127,200 shares as to which Mr. Kellner exercises sole voting power and 10,170 shares held under the Company's deferred compensation plan for directors. Of the shares of Common Stock beneficially owned by Mr. Kellner, 50,000 shares are pledged as security.
- (9) Includes 185,063 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 372 shares held in the M&I Retirement Program.
- (10) Includes 1,857,740 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 8,735 shares held in a donor-advised charitable foundation, 811 shares held in the M&I Retirement Program, and 112,344 shares held under the Company's deferred compensation plan for executives.
- (11) Includes 6,681 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 1,252 shares held under the Company's deferred compensation plan for directors, 10,000 shares held by Mr. Lubar's family trust and 15,000 held in a general partnership in which Mr. Lubar exercises shared voting power.
- (12) Includes 60,129 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 1,197 shares held under the Company's deferred compensation plan for directors.
- (13) Includes 40,086 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 1,200 shares held in trust as to which he disclaims beneficial ownership, and 6,881 shares held under the Company's deferred compensation plan for directors.
- (14) Includes 66,810 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 869,315 shares held by trusts for which Mr. Orr exercises shared voting and investment power and as to which Mr. Orr disclaims beneficial ownership, and 37,002 shares held under the Company's deferred compensation plan for directors.

- (15) Includes 440,056 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 5,738 shares held in the M&I Retirement Program, and 49,831 shares held under the Company's deferred compensation plan for executives.
- (16) Represents 40,086 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 9,621 shares held under the Company's deferred compensation plan for directors.
- (17) Includes 60,129 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 69,959 shares held by Mr. Platten's family as to which he disclaims beneficial ownership, 62,751 shares held in the M&I Retirement Program and 1,147 held under the Company's deferred compensation plan for directors. Of the shares of Common Stock beneficially owned by Mr. Platten, 70,986 shares are pledged as security.

**Table of Contents**

- (18) Includes 60,129 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 1,038 shares held under the Company's deferred compensation plan for directors.
  
- (19) Includes 40,086 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 29,329 shares held under the Company's deferred compensation plan for executives.
  
- (20) Represents 26,724 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 506 shares held under the Company's deferred compensation plan for directors.
  
- (21) Represents 60,129 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008 and 18,127 shares held under the Company's deferred compensation plan for directors.
  
- (22) Includes 1,487,196 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 860 shares held under the Company's deferred compensation plan for directors and 171,921 shares held by Mr. Wigdale's family as to which he disclaims beneficial ownership.
  
- (23) Includes 7,386,798 shares which could be acquired pursuant to the exercise of stock options within 60 days of January 31, 2008, 135,230 shares held in the Company's deferred compensation plan for directors, 516,120 shares held in the Company's deferred compensation plan for executives, 104,540 shares held in the M&I Retirement Program and 71,342 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 1, 2008, each of Messrs. Baur, Krei, Kuester, Orr, Shiely, Smith 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 of the M&I REIT Subsidiaries. All current directors and executive officers as a group beneficially own a total of 420 shares of Preferred Stock of the M&I REIT Subsidiaries, representing 1.4% of the Preferred Stock of each subsidiary. In addition, each of Messrs. Baur and Furlong beneficially owns three 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 12 shares of preferred stock of SWB Investment II Corporation, representing 1.3% of the preferred stock of such company.

**Table of Contents**

**PROPOSAL 1. ELECTION OF DIRECTORS**

Prior to the Company's 2007 Annual Meeting of Shareholders, the Company's Restated Articles of Incorporation divided the Company's Board into three classes of directors with staggered terms of three years each. At the 2007 Annual Meeting, the Company's shareholders adopted a Company proposal to amend the Company's Restated Articles of Incorporation to declassify the Board of Directors. As a result, the individuals elected at the Annual Meeting will serve for one year terms expiring at the 2009 Annual Meeting and, with respect to each director, until his or her successor is elected and qualified.

The term of each incumbent director listed below under "Nominees Standing for Election" expires at the 2008 Annual Meeting. Malcolm M. Aslin, whose term expires at the Annual Meeting, is not standing for re-election. The Company would like to express its thanks to Mr. Aslin for his service as a director. In accordance with the phase-out of the classified Board, the directors listed below under "Continuing Directors" will serve the final year of their three-year term, which will expire at the 2009 Annual Meeting. The descriptions in this section provide certain information about each of the nominees for election as a director as well as each of the Company's continuing directors.

***Vote Required***

**Directors are elected by a plurality of the votes cast by holders of the Common Stock entitled to vote at a meeting at which a quorum is present. In other words, the 11 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 legal effect in the election of directors.**

**In accordance with the Company's Corporate Governance Guidelines, any nominee for director in an uncontested election who receives a greater number of votes withheld from his or her election than votes for such election is required to promptly tender his or her resignation offer to the Chairman of the Board. The Nominating Committee will promptly consider the tendered resignation offer and recommend to the Board whether to accept or reject it. The Board will act on the Nominating Committee's recommendation no later than 90 days following the tender of the director's resignation offer, and will disclose its decision (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation offer) within four business days following such decision. This description of the Corporate Governance Guidelines provision regarding director elections is qualified in its entirety by the full text of the Corporate Governance Guidelines, which are available on the Company's web site at [www.micorp.com](http://www.micorp.com).**

**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 director.**

**Table of Contents****NOMINEES STANDING FOR ELECTION**

<b>Name and Age</b>	
<b>(as of March 1, 2008)</b>	<b>Principal Occupation and Directorships</b>
<p>Andrew N. Baur</p> <p>Age 63</p>	<p>Chairman of the Board of Southwest Bank, an M&amp;I Bank (formerly known as Southwest Bank of St. Louis), a wholly-owned subsidiary of the Company, since October 2002; 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 Paper Corp., Orgill, Inc., a provider of wholesale distribution and retail services to the home improvement industry, and St. Louis Cardinals, L.P. A Director since October 2002.</p>
<p>Jon F. Chait</p> <p>Age 57</p>	<p>Chairman of the Board and Chief Executive Officer of Hudson Highland Group, 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, 1998 to 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 July 1998, 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 manufacturer of office furniture. A Director since 1990.</p>
<p>John W. Daniels, Jr.</p> <p>Age 59</p>	<p>Chairman since September 2007 and Partner since 1981, Quarles &amp; Brady, L.L.P., a law firm. Chairman of the Board of North Milwaukee State Bank, 1997 to April 2005. National President, American College of Real Estate Lawyers. Also a director of V&amp;J Foods, Inc. (and affiliates controlled by V&amp;J Foods, Inc.), Metropolitan Milwaukee Association of Commerce, Greater Milwaukee Foundation, NISH Institute for Leadership, Performance and Development, Wisconsin United for Health Foundation, Inc., Greater Milwaukee Committee and Ralph Evinrude Foundation. A Director since April 2005.</p>
<p>Dennis J. Kuester</p> <p>Age 65</p>	<p>Chairman of the Board since January 2005, Chief Executive Officer from January 2002 to April 2007, and President of the Company from 1987 to 2005; Chairman of the Board and Chief Executive Officer from October 2001 to April 2007, President from 1989 to October 2001 and Director since 1989, M&amp;I Marshall &amp; Ilsley Bank; Chairman of the Board and Director, Metavante Technologies, Inc. Also a director of the Federal Reserve Bank of Chicago, Modine Manufacturing Company, Wausau Paper Corp., Krueger International, Inc., a manufacturer of office furniture, Super Steel Products Corp., YMCA of Metropolitan Milwaukee, Froedtert Hospital, Medical College of Wisconsin and the Lynde and Harry Bradley Foundation and Chairman of the Board of Christian Stewardship Foundation. A Director since February 1994.</p>

**Table of Contents**

<b>Name and Age</b>	<b>Principal Occupation and Directorships</b>
<p>(as of March 1, 2008)</p>	
<p>David J. Lubar</p> <p>Age 53</p>	<p>President of Lubar &amp; Co. Incorporated, a private equity investment firm, since 1992. Also a director of The Northwestern Mutual Life Insurance Company, Greater Milwaukee Foundation, Milwaukee Jewish Federation, Jewish Community Foundation, UWM Foundation, UWM Real Estate Foundation, University School of Milwaukee, Wisconsin Policy Research Institute, Metropolitan Milwaukee Association of Commerce, and Froedtert &amp; Community Health. A Director since April 2007.</p>
<p>John A. Mellowes</p> <p>Age 69</p>	<p>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 Grede Foundries, Inc., 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.</p>
<p>Robert J. O Toole</p> <p>Age 67</p>	<p>Retired; Chairman of the Board and Chief Executive Officer from April 1992 to December 2005 and President and Chief Executive Officer from 1989 to 1992, and President and Chief Operating Officer from 1986 to 1989, A.O. Smith Corporation, a manufacturer of electric motors and water systems technologies. Also a director of A.O. Smith Corporation, a diversified manufacturer, Briggs &amp; Stratton Corporation, a manufacturer of gasoline engines for outdoor power equipment, and Factory Mutual Insurance Company. A Director since April 2002.</p>
<p>San W. Orr, Jr.</p> <p>Age 66</p>	<p>Chairman of the Board and director of Wausau Paper Corp.; Attorney, Estates of A.P. Woodson &amp; Family. Also a director and President of the Woodson YMCA Foundation and Nancy Woodson Spire Foundation, Inc., director of the Lynde and Harry Bradley Foundation and Chairman Emeritus of the University of Wisconsin Foundation. A Director since July 1994.</p>



**Table of Contents**

<b>Name and Age</b>	<b>Principal Occupation and Directorships</b>
<p>(as of March 1, 2008)</p> <p>John S. Shiely</p> <p>Age 55</p>	<p>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 &amp; 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) and The Scotts Miracle-Gro Company; Chairman of the Board of Children's Hospital and Health System, Inc. and the Board of Trustees of the Medical College of Wisconsin. A Director since April 1999.</p>
<p>Debra S. Waller</p> <p>Age 51</p>	<p>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, a trustee of Carthage College, and a member of the Yale Center for Faith and Culture Advisory Board. A Director since April 2004.</p>
<p>George E. Wardeberg</p> <p>Age 72</p>	<p>Retired; Vice Chairman of the Board, Wisconsin Energy Corporation, a holding company with subsidiaries in utility and non-utility 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 Benz Oil, Inc. A Director since April 1999.</p>

**Table of Contents****CONTINUING DIRECTORS***(Terms expiring April 2009)*

<b>Name and Age</b>	<b>Principal Occupation and Directorships</b>
<p>(as of March 1, 2008)</p> <p>Mark F. Furlong</p> <p>Age 50</p>	<p>Chief Executive Officer since April 2007, President since April 2005, Executive Vice President from January 2002 to April 2005, Senior Vice President from April 2001 to January 2002, and Chief Financial Officer from April 2006 to June 2006 and April 2001 to October 2004; Director and President since July 2004, and Chief Executive Officer since April 2007 of M&amp;I Marshall &amp; Ilsley Bank; Director, Vice President and Treasurer of M&amp;I Capital Markets Group, L.L.C. and M&amp;I Ventures L.L.C.; Director of Marshall &amp; Ilsley Trust Company National Association, M&amp;I Bank Mayville, M&amp;I Equipment Finance Company, and Milease, LLC; Senior Vice President of Southwest Bank, an M&amp;I Bank (formerly known as Southwest Bank of St. Louis). Also a director of Kforce Inc., a professional staffing firm, and Wisconsin Manufacturers &amp; Commerce. A Director since April 2006.</p>
<p>Ted D. Kellner</p> <p>Age 61</p>	<p>Chairman and Chief Executive Officer of Fiduciary Management, Inc., an investment management firm, since 1980. Also a director of Metavante Technologies, Inc., American Family Mutual Insurance Company and Kelben Foundation, Inc. A Director since April 2000.</p>
<p>Katharine C. Lyll</p> <p>Age 66</p>	<p>Retired; President of the University of Wisconsin System from 1992 to September 2004. Also a director of Carnegie Foundation for the Advancement of Teaching, United Way of Dane County (Wisconsin), Council for Aid to Education and Wisconsin Public Television. A Director since December 1997.</p>
<p>Peter M. Platten, III</p> <p>Age 68</p>	<p>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.</p>

**Table of Contents**

<b>Name and Age</b>  (as of March 1, 2008)	<b>Principal Occupation and Directorships</b>
James B. Wigdale  Age 71	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 Mason Wells, Inc., Green Bay Packaging Inc. and Sentry Insurance. A Director since 1988.

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**Table of Contents**

**CORPORATE GOVERNANCE MATTERS**

***Board of Directors***

The Board of Directors has determined that as of February 21, 2008, 10 of 17 (59%) of the directors of M&I were 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 as of the date of this Proxy Statement are: Ms. Lyall, Ms. Waller and Messrs. Chait, Daniels, Mellowes, Orr, O Toole, Platten, Shiely and Wardeberg. Messrs. Bruce E. Jacobs and Edward L. Meyer, Jr., whose terms expired at the 2007 Annual Meeting, were independent under the NYSE Standards. The categorical independence standards adopted by the Board relate to banking and other business relationships with M&I and are attached to this Proxy Statement as Appendix A and available on M&I's web site described below.

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

Mr. Peter M. Platten, III

c/o Secretary

Marshall & Ilsley Corporation

770 North Water Street

Milwaukee, Wisconsin 53202

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

The Board of Directors of the Company has the following standing committees: Compensation and Human Resources, Audit, Nominating, Retirement Investment and Risk Management. 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 of Shareholders. 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 ten meetings and took action by unanimous written consent twice in 2007. Each incumbent director attended at least 75% of the meetings of the Board and Board committees on which such director served. 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](http://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.

## **Table of Contents**

Shareholders also may obtain a copy of any of these documents free of charge by calling the M&I Shareholder Information Line at 1-800-642-2657. 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 appointed to discharge the Board's responsibilities relating to the compensation of the Company's executive officers. The Compensation Committee is responsible for, among other things, reviewing performance criteria used in establishing appropriate compensation, retention, incentive compensation, severance and benefit policies and programs applicable to the executive officers of the Corporation. The Compensation Committee charter also requires that the Compensation Committee annually review and approve corporate goals and objectives for purposes of determining the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of such goals and objectives, and set the Chief Executive Officer's compensation level based on this evaluation.

The Compensation Committee is also charged with periodically reviewing and approving or making recommendations to the Board with respect to the adoption of or material changes in employee benefit and compensation plans. In addition, the Compensation Committee must periodically review and approve, for the Chief Executive Officer and the other named executive officers: annual base salary levels; annual incentive opportunity levels; long-term incentive opportunity levels; employment, severance and change-in-control agreements; material perquisites or other in-kind benefits; and any other special or supplemental benefits, in each case, when and if appropriate.

Other duties of the Compensation Committee pursuant to its charter include reviewing and recommending to the Board all persons to be elected as Chairman, Chief Executive Officer, President, and Chief Financial Officer of the Company; periodically reviewing the succession plan for the Chief Executive Officer; and reviewing director fees and retainers on a periodic basis and recommending any changes to the Board.

Individuals who are not members of the Compensation Committee may attend Compensation Committee meetings only at the invitation of the Compensation Committee Chair. During 2007, the Company's Chairman, Chief Executive Officer and Senior Vice President of Human Resources were invited to attend Compensation Committee meetings, although they were excused from the meetings as appropriate. The named executive officers provide recommendations to the Compensation Committee with respect to the compensation of executive officers who report to them. These recommendations are considered, adjusted as necessary and approved by the Compensation Committee.

The Compensation Committee may delegate to its Chairperson such power and authority as it deems appropriate, except as prohibited by law. The Compensation Committee has the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive compensation and to approve the consultant's fees and other retention terms. The Compensation Committee also has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. In accordance with the authority provided under its charter, the Compensation Committee retains the services of Hewitt Associates LLC ("Hewitt Associates"), a compensation consultant, to provide analyses and advice on various matters relating to the compensation of the Company's executive officers and directors.

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 and took action by unanimous written consent twice in 2007. Additional information relating to the Compensation Committee may be found under the heading "Executive Compensation" Compensation Discussion and Analysis in this Proxy Statement.

## **Table of Contents**

### ***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, among other things, (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 securities regulations for inclusion in the Company's Proxy Statement. The current members of the Audit Committee are Messrs. Orr (Chairman), O Toole 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 16 meetings in 2007, including six meetings at which Mr. Orr accepted communications from the Company's independent auditors on behalf of the Audit Committee.

### ***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 Daniels, all of whom are independent under the NYSE Standards. The Nominating Committee held three meetings and took action by unanimous written consent once in 2007.

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 connection with the 2007 Annual Meeting proposal to amend the Company's Restat