

COMERICA INC /NEW/  
Form DEF 14A  
March 13, 2018

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

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**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

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Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Comerica Incorporated**

(Name of Registrant as Specified In Its Charter)

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**Comerica Incorporated**  
**Proxy Statement and Notice of**  
**2018 Annual Meeting of Shareholders**

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## **Comerica Incorporated**

**Comerica Bank Tower  
1717 Main Street  
Dallas, Texas 75201**

March 13, 2018

Dear Shareholder,

It is our pleasure to invite you to attend the 2018 Annual Meeting of Shareholders of Comerica Incorporated at 9:30 a.m., Central Time, on Tuesday, April 24, 2018 at Comerica Bank Tower, 1717 Main Street, 4<sup>th</sup> Floor, Dallas, Texas 75201. Registration will begin at 8:30 a.m., Central Time. A map showing the location of the Annual Meeting is on the back cover of the accompanying proxy statement.

This year, we are continuing to provide proxy materials to our shareholders primarily through the Internet. We are pleased to use this process, which allows our shareholders to receive proxy materials in an expedited manner, while significantly lowering the costs of our annual proxy campaign. On or about March 13, 2018, we mailed to our shareholders of record (other than those who previously requested electronic delivery) a Notice of Internet Availability of Proxy Materials containing instructions on how to access this proxy statement, our annual report and additional soliciting materials online. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials in the mail (with the exception of the proxy card, which will be separately mailed on or around March 23, 2018 to shareholders of record that have not yet voted) unless you specifically request them. The Notice of Internet Availability of Proxy Materials instructs you on how to electronically access and review all of the important information contained in this proxy statement and the annual report, and it provides you with information on voting. The proxy materials available online include our 2018 proxy statement, our 2017 annual report, which summarizes Comerica's major developments during 2017 and includes the 2017 consolidated financial statements, and additional soliciting materials.

Whether or not you plan to attend the Annual Meeting, please submit your proxy promptly so that your shares will be voted as you desire.

Sincerely,

Ralph W. Babb, Jr.  
Chairman and Chief Executive Officer

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## **EXECUTIVE SUMMARY**

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.*

### **Annual Meeting of Shareholders**

<b>Time and Date</b>	9:30 a.m., Central Time, April 24, 2018
<b>Place</b>	Comerica Bank Tower, 1717 Main Street, 4 <sup>th</sup> Floor, Dallas, Texas 75201
<b>Record Date</b>	February 23, 2018
<b>Mailing Date</b>	On or around March 13, 2018
<b>Voting</b>	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

### **Voting Matters**

	<b>Board Vote Recommendation</b>	<b>Page Reference</b>
Election of directors	FOR EACH DIRECTOR NOMINEE	16
Ratification of Ernst & Young LLP as independent registered public accounting firm for 2018	FOR	36
Advisory approval of the Company's executive compensation	FOR	42
Approval of the Comerica Incorporated 2018 Long-Term Incentive Plan	FOR	104

### **Voting Your Shares**

If you are a shareholder of record as of February 23, 2018, you will be able to vote in four ways: in person, by proxy card, by telephone, or by the Internet as follows:

**BY TELEPHONE: 1-866-883-3382**

**VIA THE INTERNET: <http://www.proxydocs.com/cma>**

**BY MAIL: complete, sign, date and return your proxy card in the envelope provided**

**IN PERSON: attend our Annual Meeting on April 24, 2018 and vote by ballot**

See "How can I vote?" on page 11 for more information on voting at the Annual Meeting.

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**2017 Financial and Operating Performance**

Significant progress was made in 2017. We benefitted meaningfully from our relationship banking strategy as interest rates increased. In addition, credit metrics remain strong. We demonstrated the continued successful implementation of our action-oriented improvement plan, GEAR Up, which we launched in mid-2016 to drive efficiencies and revenue. Our focus remains on enhancing our profitability and shareholder value by delivering solid results and positioning Comerica well for the future. Some of our noteworthy accomplishments in 2017 included<sup>1</sup>:

Grew 2017 revenue 11%, to an all-time record. This included a 15% increase in net interest income, which benefitted from higher interest rates as we prudently managed loan and deposit pricing.

Grew average loans by over \$670 million, or 1%, excluding cyclical declines of \$696 million in Energy and \$412 million in Mortgage Banker Finance loans.

Grew average noninterest-bearing deposits by \$1.3 billion, or 4%, to a record level.

Drove a 5% increase in noninterest income, with a large increase in card fees, as well as growth in several other categories with successful execution of GEAR Up.

Reduced expenses by 4% as we delivered GEAR Up initiative savings.

Improved our efficiency ratio to 58.6% by combining revenue growth with tight expense control.

Strong credit quality continued with 19 basis points of net charge-offs, which is well below our historical norm.

Achieved an 84% increase in pre-tax income and a 54% increase in earnings per share over 2016.

Increased buybacks under the equity repurchase program by 75% and raised our quarterly dividend in April and July. Through the buyback and dividends, we returned \$724 million to our shareholders, a 58% increase over 2016.

Stock price increased 27%, the best performance of all peers, and it outperformed the KBW and S&P 500 indices for the second consecutive year.

Granted approximately 4,500 non-officer colleagues a one-time bonus of \$1,000 and raised our minimum wage to \$15 per hour, which positively impacts over 700 employees.

Made significant progress on our 2020 Environmental Sustainability Goals to reduce emissions, water consumption, waste generation and paper, including the achievement of our 2020 greenhouse gas reduction goal ahead of schedule, with a reduction of 22.4 percent relative to our 20 percent target.

Total shareholder return ("TSR"), which includes price appreciation and dividends paid, for the one-, three- and five-year period was 29%, 95% and 212%, respectively.

Balances as of December 31, 2017, as compared to December 31, 2016. Activity and performance for the year ended December 31, 2017, as compared to the year ended December 31, 2016.



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2017 Relative Performance Snapshot

2015-2017 Performance Snapshot<sup>1</sup>

1 Source: SNL  
Financial

For purposes of these charts, peer average is the average of the relevant metric for Comerica's peer group. The peer group is listed in the "Peer Group and Benchmarking" section of this proxy statement on page 56.

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## 2017 Compensation Highlights

We use our executive compensation programs to align the interests of executive officers with the interests of our shareholders. Our programs are designed to attract, retain, and motivate leadership to sustain our competitive advantage in the financial sector, and to provide a framework that encourages strong financial results and positive shareholder returns over the long-term.

Our executive compensation programs are developed through a robust review process between management and the Board of Directors. For 2017, key decisions related to executive compensation included:

\*

Reviewed compensation plans to ensure market competitiveness and alignment of performance measures with corporate goals. The compensation programs for 2017 were consistent with 2016 and included:

○

A three-year performance share program where payouts are contingent on the achievement of specific prospective financial goals and include a negative modifier in the case of bottom quartile relative TSR performance;

○

A short-term cash incentive program that measures absolute performance as opposed to relative peer performance;

○

A long-term cash incentive program based on performance relative to peers, with no payout in the bottom quartile; and

○

A forfeiture provision applicable to all equity awards that allows for the cancellation of unvested equity awards in the event a participant engages in conduct that results in or is likely to result in a material adverse impact (financial or reputational) to Comerica.

\*

Made changes to the retirement programs to provide valuable retirement benefits in a cost-effective, sustainable manner while remaining competitive with the market.

\*

Redesigned compensation programs for 2018 to better align them with short and long-term goals, and shareholder and regulatory feedback, while maintaining a strong pay for performance linkage.

## Governance Highlights

Our management team and the Board are focused on serving the long-term interests of Comerica's shareholders. The Board's primary responsibility is the oversight of the Company's management team, and the Board has a number of measures in place to continually enhance Board composition, efficiency and effectiveness.

As such, the Board is committed to good corporate governance, demonstrated through the following:

Annual election of directors

Majority voting for directors

Annual self-evaluation by the Board and its committees

Regular assessment of Board composition and potential enhancements, resulting in two new independent directors in 2016, one of whom was designated as the Board's risk expert, and one new independent director in 2017

Regularly scheduled executive sessions of non-management directors

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Ten out of eleven directors are independent

Independent Audit Committee, Enterprise Risk Committee, Governance, Compensation and Nominating Committee and Qualified Legal Compliance Committee

Engagement in the review and adherence to long-term corporate strategy, both on an annual basis at a dedicated session and as part of executing its regular Board responsibilities

Focus on sustainability with our 2020 Environmental Sustainability Goals that will help us to further reduce waste, water use, paper consumption, and energy and emissions; more information is available in our 2016 Corporate Responsibility Report available at [www.comerica.com/sustainability](http://www.comerica.com/sustainability)

**Role of the Independent Facilitating Director**

Every year, the independent directors elect a Facilitating Director to lead executive sessions of the Board. The Board believes that such executive sessions, in which the non-management directors meet without management, are important to the effectiveness of the Board's oversight of the Company and its management team.

The duties of the Facilitating Director include, but are not limited to, the following:

Presiding at all other meetings of the Board at which the Chairman is not present;

Serving as liaison between the Chairman and the independent directors;

Approving information sent to the Board;

Approving meeting agendas for the Board;

Approving meeting schedules for the Board to assure that there is sufficient time for discussion of all agenda items;

Having the authority to call meetings of the independent directors; and

If requested by major shareholders, ensuring that he or she is available for consultation and direct communication.

The role of the Facilitating Director serves as a bridge between management and the independent Board members.

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**Board Nominees**

The following table provides summary information about each director nominee. Each director nominee will be elected for a one-year term. Directors are elected by a majority of votes cast.

Name	Age	Director		Independent	Committee Memberships				Other Public
		since	Occupation		AC	GCNC	ERC	QLCC	Company Boards
Ralph W. Babb, Jr.	69	2001	Chairman & CEO, Comerica Incorporated and Comerica Bank						