

**MERCANTILE BANK CORPORATION**

**CHARTER FOR THE  
GOVERNANCE AND NOMINATING COMMITTEE  
OF THE BOARD OF DIRECTORS**

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**I. Purpose**

The purpose of the Governance and Nominating Committee is to advise and make recommendations to the Board of Directors with respect to corporate governance principles and practices, and to recommend qualified candidates to the Board for election as directors of the Company, including the slate of directors that the Board proposes for election by shareholders at the annual meetings and candidates to fill vacancies occurring between annual meetings.

**II. Composition and Meetings**

*Composition*

The Committee consists of no fewer than three directors. Each member of the Committee will be an "independent director" as that term is defined in the applicable rules of the Nasdaq Stock Market. Each member of the Committee will be free from any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

*Appointment and Removal*

The members of the Committee are appointed by the Board of Directors. Each member serves until his or her successor is duly designated or until the member's earlier resignation or removal. The Board may remove any member from the Committee at any time, with or without cause, by a majority vote of the Board. Unless a chairperson or a vice-chairperson is designated for the Committee by the Board, the members of the Committee may designate a chairperson and a vice-chairperson by majority vote of the Committee membership.

*Meetings*

The Committee will meet as often as necessary to carry out its responsibilities. The chairperson, or any two members of the Committee may call a meeting of the Committee. The chairperson chairs the meetings of the Committee that he or she attends.

**III. Responsibilities and Authority**

1. The Committee is responsible for recommending to the Board of Directors qualified nominees for election to the Board of Directors, including nominees for

election at the annual meetings of shareholders and to fill vacancies on the Board that may arise from time to time.

2. In evaluating a candidate for recommendation as a director nominee, the Committee will consider such matters as it deems appropriate, including the candidate's personal and professional integrity, business judgment, relevant experience and skills, and potential to be an effective director in conjunction with the full Board of Directors in collectively serving the long-term interests of the Company's shareholders. When considering an existing director for nomination for re-election to the Board, the Committee will also consider the director's Board and committee attendance and performance, and length of service. Candidates may be interviewed by the Committee where it deems it appropriate.
3. The Committee considers director candidates recommended by holders of the Company's stock or other securities. Recommendations by security holders should be submitted to the Committee.
4. The Committee is responsible for the development and recommendation to the Board of Directors of the Corporate Governance Guidelines for the Company. The Committee reviews the Guidelines periodically, recommending changes as necessary to reflect sound governance practices. The Committee monitors compliance with the Guidelines.
5. The Committee makes recommendations to the Board concerning the composition, functions, leadership and duties of the committees of the Board (including this Committee), and the leadership of executive sessions of the Board.
6. The Committee recommends to the Board a process for the Board's annual self-evaluation, and oversees the evaluation of the Board of Directors.
7. The Committee has the authority to delegate appropriate matters to subcommittees as the Committee may determine in its discretion.
8. The Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates, and to approve related fees and other retention terms, as it may deem appropriate in its discretion. The Committee also has the authority to retain outside counsel and other internal or external advisors, and to approve the related fees and retention terms, as it may deem appropriate in its discretion.
9. The chairperson of the Committee or another of its members reports the actions and recommendations of the Committee to the full Board of Directors.

10. The Committee reviews annually the adequacy of this Charter, recommending any proposed changes to the Board of Directors for approval. The Committee also reviews annually the adequacy of the Charters of each of the other Committees of the Board, and recommends to the Board such changes to the other Charters as it deems appropriate.