

# Section 1: 8-K (FORM 8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 24, 2018

**Mercantile Bank Corporation**  
(Exact name of registrant as specified in its charter)

**Michigan**  
(State or other jurisdiction  
of incorporation)

**000-26719**  
(Commission File  
Number)

**38-3360865**  
(IRS Employer  
Identification Number)

**310 Leonard Street NW, Grand Rapids, Michigan**  
(Address of principal executive offices)

**49504**  
(Zip Code)

Registrant's telephone number, including area code

**616-406-3000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

***Adoption of Bonus Plans***

On May 24, 2018, the Boards of Directors of Mercantile Bank Corporation (“Mercantile”), and of Mercantile’s wholly-owned subsidiary, Mercantile Bank of Michigan (the “Bank”), adopted an executive officer bonus plan for 2018 (the “Executive Officer Plan”).

The Executive Officer Plan provides for cash bonuses for: Michael H. Price, the Chairman of the Board of Mercantile and the Chairman of the Board of the Bank (formerly, the Executive Chairman of the Board of Mercantile and the Executive Chairman of the Board of the Bank); Robert B. Kaminski, Jr., the President and Chief Executive Officer of Mercantile and the Chief Executive Officer of the Bank; Charles E. Christmas, the Executive Vice President, Chief Financial Officer, and Treasurer of Mercantile, and the Executive Vice President and Chief Financial Officer of the Bank; Raymond E. Reitsma, the President of the Bank and Senior Vice President of Mercantile; Robert T. Worthington, the Chief Operating Officer, Senior Vice President, General Counsel, and Secretary of Mercantile and the Bank; and Lonna L. Wiersma, the Senior Vice President and Human Resource Director of the Bank and Mercantile.

The maximum amount that can be allocated to the bonus pool is \$606,651 under the Executive Officer Plan, provided, however, that the maximum amount will be appropriately adjusted if (a) a newly hired employee becomes eligible to participate in the plan, (b) a participant's base salary is adjusted during the year, or (c) a participant becomes ineligible before December 31, 2018.

Payment from the bonus pool under the plan, if any, is based on the achievement of targets under the following metrics for 2018:

- 12.5% Non-performing assets
- 12.5% Commercial loan portfolio composition
- 12.5% Net interest margin
- 12.5% Non-interest income
- 12.5% Efficiency ratio
- 12.5% Return on assets
- 12.5% Return on equity
- 12.5% Wholesale funds

The specific targets for each metric will be established by the Compensation Committee of Mercantile's Board of Directors.

Each individual target must be met or exceeded in order for the percentage associated with that metric to be credited toward payment from the bonus pool under the plan. The accumulated percentage for each individual target attained will be applied to the bonus pool amount to determine the total amount of the bonus pool to be awarded (the "Award Amount"). For example, if the first four factors are attained and the next four factors are not attained, and if the maximum amount is allocated to the bonus pool under the Executive Officer Plan, the Award Amount would be  $\$606,651 \times 50\% = \$303,325.50$ .

The Award Amount will be paid to each participant pro rata based on a uniform percentage of the participant's 2018 salary (not to exceed: 40% of the 2018 salary of each of the Executive Chairman and the Chief Executive Officer; 35% of the 2018 salary of each of the Chief Financial Officer and the President of the Bank; 32.5% of the 2018 salary of the Chief Operating Officer; and 27.5% of the 2018 salary of the Human Resources Director.) Any bonus awards that are earned under the plan will be paid to the executive officers on or before March 15, 2019.

Payments under the plan are subject to specified conditions, qualifications, and clawback provisions. The plan, to the extent provided for in the plan, may be amended by the Compensation Committee of Mercantile's Board of Directors.

A copy of the Executive Officer Plan is attached as Exhibit 10.1.

### *Changes in Officers*

Michael H. Price retired from his role as Executive Chairman of Mercantile effective May 24, 2018. He will remain as a board member of Mercantile and the Bank and will serve as the non-employee Chairman of each board.

Lonna L. Wiersma, Senior Vice President and Human Resources Director for the Bank, was appointed to the positions of Senior Vice President and Human Resources Director for Mercantile.

Raymond E. Reitsma, President of the Bank, was appointed to the position of Senior Vice President of Mercantile.

### **Item 5.07 Submission of Matters to a Vote of Security Holders.**

An annual meeting of our shareholders was held on May 24, 2018 (the "Annual Meeting"). At the Annual Meeting, our shareholders voted on each of the following three matters:

- election of eight directors, each for a one-year term;
- ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2018; and
- an advisory vote to approve the compensation of our executives disclosed in our proxy statement for the Annual Meeting.

The final vote results for each of these three matters is set forth below.

The votes cast on the election of directors were as follows:

<u>Nominee</u>	<u>Votes For</u>	<u>Votes Withheld</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
David M. Cassard	9,548,213	243,017	0	3,644,054
Edward J. Clark	9,550,393	222,154	0	3,644,054
Michelle L. Eldridge	9,581,876	190,672	0	3,644,054
Jeff A. Gardner	9,581,692	190,856	0	3,644,054
Edward B. Grant	9,579,993	192,554	0	3,644,054
Robert B. Kaminski, Jr.	9,576,287	196,261	0	3,644,054
Michael H. Price	9,269,311	503,237	0	3,644,054
Thomas R. Sullivan	8,775,051	997,497	0	3,644,054

The votes cast on the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2018 were as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
13,322,041	70,455	24,105	0

The votes cast on the advisory vote to approve the compensation of our executives disclosed in our proxy statement for the Annual Meeting were as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-votes</u>
9,381,530	255,025	135,993	3,644,054

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<a href="#">2018 Mercantile Executive Officer Bonus Plan</a>

## Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Mercantile Bank Corporation

By: /s/ Charles E. Christmas  
Charles E. Christmas  
Executive Vice President, Chief  
Financial Officer and Treasurer

Date: May 25, 2018

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
10.1	2018 Mercantile Executive Officer Bonus Plan

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## **Section 2: EX-10.1 (EXHIBIT 10.1)**

Exhibit 10.1

**MERCANTILE BANK CORPORATION/MERCANTILE BANK OF MICHIGAN**

**2018 MERCANTILE EXECUTIVE OFFICER BONUS PLAN**

**1. Purpose of this Plan**

This 2018 Mercantile Executive Officer Bonus Plan (this “Plan”) is designed to reflect that the directors of Mercantile Bank Corporation (the “Company”) and Mercantile Bank of Michigan (the “Bank”) believe that the Company’s shareholders are willing to share financially in operating results that exceed certain specific financial metrics.

The purpose of this Plan is to:

- Promote the growth, profitability and expense control necessary to accomplish corporate strategic long-term plans;
- Encourage superior results by providing a meaningful incentive; and
- Support teamwork among employees.

**2. Eligibility**

Michael H. Price, Robert B. Kaminski, Jr., Charles E. Christmas, Raymond E. Reitsma, Robert T. Worthington and Lonna Wiersma (the “Executive Officers,” and each an “Executive Officer”) are included in this Plan. The following provisions (a) – (d) set forth circumstances where an Executive Officer will, or will not, be eligible for a bonus payout, or where an unpaid bonus award will be cancelled:

- (a) Except as provided below, an Executive Officer must be an active employee as of December 31, 2018 to be eligible to receive a bonus payout.
- (b) An Executive Officer that is out on medical leave as of December 31, 2018 will be eligible to receive a bonus award.
- (c) An Executive Officer that is suspended with or without pay or is on final written warning as of December 31, 2018 will not be eligible to receive a bonus award.
- (d) If an Executive Officer terminates his or her employment with the Bank during 2018, any unpaid bonus award for the Executive Officer is cancelled.

Notwithstanding any of the provisions (a), (b), (c) or (d) above, no such provision shall adversely affect an Executive Officer's eligibility for, or right to receive, any bonus award, if during 2018, or during the first four months of 2019 pursuant to a notice given in 2018, (i) the employment of Messrs. Price, Kaminski or Christmas terminates under one or more circumstances set forth in Section 8.5 or 9 of the Employment Agreement made as of November 13, 2014 between such Executive Officer, the Company and the Bank, as amended, in which case, such Executive Officer is eligible for 100% of his bonus payout, or (ii) the employment of Mr. Reitsma or Ms. Wiersma terminates under one or more circumstances set forth in Section 10.5 or 10.6 of the Employment Agreement made as of November 19, 2015 between such Executive Officer and the Bank (as Mr. Reitsma's agreement has been amended), in which case, such Executive Officer is eligible for a pro rata share of his or her bonus payout, or (iii) the employment of Mr. Worthington terminates under one or more circumstances set forth in Section 10.5 or 10.6 of the Amended and Restated Employment Agreement made as of December 15, 2016 among Mr. Worthington, the Company and the Bank, in which case, Mr. Worthington is eligible for a pro rata share of his bonus payout, or (iv) Mr. Price terminates his employment at the 2018 annual meeting of shareholders, in which case, Mr. Price is eligible for 100% of his bonus payout (each, a "Special Termination").

### **3. Bonus Pool, Performance Metrics and Bonus Awards**

The maximum amount that will be allocated to the bonus pool under this Plan (the "Executive Bonus Pool") is \$606,651, provided, however, that the maximum amount will be appropriately adjusted if (a) a newly hired employee becomes a named executive officer (as defined in Item 402(a)(3) of SEC Regulations S-K) and becomes eligible to participate in this Plan, (b) an Executive Officer's base salary is adjusted during the year, or (c) an Executive Officer becomes ineligible before December 31, 2018.

Payment from the Executive Bonus Pool, if any, is based on the achievement of targets under the following 2018 Executive Bonus Metrics:

12.5%	Non-performing assets
12.5%	Commercial loan portfolio composition
12.5%	Net interest margin
12.5%	Non-interest income
12.5%	Efficiency ratio
12.5%	Return on assets
12.5%	Return on equity
12.5%	Wholesale funds

The specific targets for each metric will be established by the Compensation Committee of the Company.

Each individual target must be met or exceeded in order for the percentage associated with that metric to be credited toward payment from the Executive Bonus Pool. The accumulated percentage for each individual target attained will be applied to the Executive Bonus Pool to determine the total amount of the Executive Bonus Pool to be awarded (the "Award Amount"). For example, if the first four factors are attained and the next four factors are not attained, and if the maximum amount is allocated to the Executive Bonus Pool, the Award Amount under this Plan would be  $\$606,651 \times 50\% = \$303,325.50$ .

The Award Amount will be paid to each Executive Officer pro rata based on a uniform percentage of the Executive Officer's 2018 salary, not to exceed:

- 40% of the 2018 salary of each of the Executive Chairman and the Chief Executive Officer;
- 35% of the 2018 salary of each of the Chief Financial Officer and the President of the Bank;
- 32.5% of the 2018 salary of the Chief Operating Officer; and
- 27.5% of the 2018 salary of the Human Resources Director.

#### **4. Clawback Provision**

Payouts made under this Plan are subject to recovery or clawback, and an Executive Officer receiving a payout will be required to promptly return the monies (or any portion of the monies requested by the Company) in each of the following circumstances:

- if it is determined that the Executive Officer was engaging in an activity during 2018 that would have resulted in the employee being suspended without pay, placed on final written warning or terminated on or before December 31, 2018, and no Special Termination of the Executive Officer is involved.
- If the payout is based on materially inaccurate financial statements (which includes, but is not limited to statements of earnings, revenues, or gains) or any other materially inaccurate performance metric criteria, including net income.
- If the payout is required to be returned pursuant to a policy adopted by the Company regarding clawback in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any stock exchange or other rule adopted pursuant to that Act.



In the event that the Company or Bank demands recovery or clawback of any payout (or portion of any payout), and the Executive Officer who received the payout does not promptly return the payout (or demanded portion of the payout) to the Company or the Bank, the Executive Officer shall be required to pay to the Company or the Bank, immediately upon demand, all expenses, including reasonable attorneys' fees, incurred to recover the payout (or demanded portion of the payout), unless the Executive Officer establishes in an appropriate legal proceeding that he or she had no obligation under this Section of this Plan to return the payout (or demanded portion of the payout). Executive Officers, as a condition to receiving a payout under this Plan, may be required to agree in writing to the terms of this Section.

**5. Timing of Bonus Payouts**

Bonus awards that are earned under this Plan will be paid to eligible Executive Officers on or before March 15, 2019.

**6. Plan Administration**

The Board of Directors of the Company and the its Compensation Committee, or if the Board of Directors of the Company so designates, another committee of the Board of Directors of the Company or the Bank (each, an "Administrator"), will each have the authority to administer and interpret this Plan, and approve or determine the amounts to be distributed under this Plan as bonus awards, in its sole discretion. Any interpretation or construction of this Plan or approval or determination of bonus awards by an Administrator will be final and binding on the Company, the Bank and their respective subsidiaries, all employees and past employees of any of them, their heirs, successors and assigns. No member of the Board of Directors of the Bank or the Company, or any of their affiliates, or any committee of the Board of Directors of the Bank, the Company, or any affiliate, will be liable for any action or determination made in good faith regarding this Plan or any bonus award.

**7. No Right to Employment**

This Plan does not give any Executive Officer any right to continued employment, or limit in any way the right of the Bank or any affiliated company to terminate his employment at any time.

**8. Withholding of Taxes**

The Bank and any affiliated company will have the right to deduct from any payment to be made pursuant to this Plan any Federal, state or local taxes required by law to be withheld. It is contemplated that substantially all payments that are made under this Plan will be made by the Bank or one of its subsidiaries, and not by the Company.

**9. Amendment of this Plan**

This Plan may be amended from time to time by the Compensation Committee of the Company, without the consent of any Executive Officer or past Executive Officer, (a) to the extent required to comply with applicable law; (b) to make reasonable adjustments for any acquisition or sale of a business or branch, merger, reorganization, or restructuring, change in accounting principles or their application, or special charges or extraordinary items, that materially affect the Company or any of its consolidated subsidiaries; (c) to make any changes that do not materially and adversely affect the bonus award payable to any eligible employee; (d) to expand the Executive Officers or other employees who are eligible to receive a bonus from the amounts available for bonuses under this Plan; or (e) to make any other changes that the Compensation Committee of the Company, in its sole discretion, deems appropriate, even if such changes materially and adversely affect, or eliminate, the bonus award payable to any Executive Officer or past Executive Officer; provided that, after a Special Termination or notice that will result in a Special Termination, no amendment made under provision (d) or (e) of this paragraph above shall adversely affect an Executive Officer's rights under this Plan.

**10. Governing Law**

The validity, construction and interpretation of this Plan will be determined in accordance with the laws of the State of Michigan.

**11. Effective Date**

This Plan was approved by the Boards of Directors of the Company and the Bank on May 24, 2018, and is effective as of January 1, 2018.