

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 23, 2019

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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	MBWM	The Nasdaq Stock Market LLC

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 23, 2019, 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 2019 (the “Executive Officer Plan”).

The Executive Officer Plan provides for cash bonuses for: 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 Executive 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 \$615,831 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, 2019.

Payment from the bonus pool under the plan, if any, is based on the achievement of targets under the following metrics for 2019:

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 $\$615,831 \times 50\% = \$307,915.50$.

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 2019 salary of each of the Chief Executive Officer; 35% of the 2019 salary of each of the Chief Financial Officer and the President of the Bank; and 27.5% of the 2019 salary of the Chief Operating Officer Human Resources Director, under the plan.) Any bonus awards that are earned under the plan will be paid to the executive officers on or before March 15, 2020.

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.

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

An annual meeting of our shareholders was held on May 23, 2019 (the "Annual Meeting"). At the Annual Meeting, our shareholders voted on each of the following four matters:

- election of seven directors, each for a one-year term;
- ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2019;
- an advisory vote to approve the compensation of our named executive officers disclosed in our proxy statement for the Annual Meeting; and
- an advisory vote on the frequency of advisory approval of the compensation of our named executive officers.

The final vote results for each of these four 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	9,416,604	364,047	0	3,685,669
Edward J. Clark	9,386,514	394,137	0	3,685,669
Michelle L. Eldridge	9,608,382	172,269	0	3,685,669
Jeff A. Gardner	9,486,366	294,285	0	3,685,669
Edward B. Grant	9,437,232	343,419	0	3,685,669
Robert B. Kaminski, Jr.	9,691,695	88,956	0	3,685,669
Michael H. Price	9,664,581	116,070	0	3,685,669

The votes cast on the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2019 were as follows:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
13,343,467	74,533	48,319	0

The votes cast on the advisory vote to approve the compensation of our named executive officers 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>
9,590,209	144,366	46,076	3,685,669

The votes cast on the advisory vote regarding the frequency of advisory approval of the compensation of our named executive officers were as follows:

<u>One Year</u>	<u>Two Years</u>	<u>Three Years</u>	<u>Abstentions</u>	<u>Broker Non-votes</u>
8,258,931	106,113	1,372,389	43,217	3,685,669

For item 4, the Board of Directors recommended an advisory vote frequency of “One Year” for the future non-binding advisory resolutions to approve the compensation of our named executive officers. With the alternative of holding the executive compensation vote every “One Year” receiving the highest number of votes cast on the frequency proposal, the Board has determined that the Company will hold future non-binding advisory votes on the compensation of our named executive officers every year, at least until the next required vote on the frequency of shareholder votes on the compensation of our named executive officers. A shareholder advisory vote on the frequency of the shareholder advisory vote on the compensation paid to the Company’s named executive officers is required to be held at least once every six years.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>2019 Mercantile Executive Officer Bonus Plan</u>

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 24, 2019

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
10.1	2019 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
2019 MERCANTILE EXECUTIVE OFFICER BONUS PLAN

1. Purpose of this Plan

This 2019 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

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, 2019 to be eligible to receive a bonus payout.

(b) An Executive Officer that is out on medical leave as of December 31, 2019 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, 2019 will not be eligible to receive a bonus award.

(d) If an Executive Officer terminates his or her employment with the Bank during 2019, 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 2019, or during the first four months of 2020 pursuant to a notice given in 2019, the employment of the Executive Officer terminates under one or more circumstances set forth in Section 8.5 or 9 of the Employment Agreement dated as of November 29, 2018, and effective as of December 31, 2018, between such Executive Officer, the Company and the Bank, in which case, such Executive Officer is eligible for 100% of his or her bonus payout (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 \$615,831, 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, 2019.

Payment from the Executive Bonus Pool, if any, is based on the achievement of targets under the following 2019 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 $\$615,831 \times 50\% = \$307,915.50$.

The Award Amount will be paid to each Executive Officer pro rata based on a uniform percentage of the Executive Officer's 2019 salary, not to exceed:

- 40% of the 2019 salary of the Chief Executive Officer;
- 35% of the 2019 salary of each of the Chief Financial Officer and the President of the Bank;
- 27.5% of the 2019 salary of the Chief Operating Officer; and
- 27.5% of the 2019 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 2019 that would have resulted in the employee being suspended without pay, placed on final written warning or terminated on or before December 31, 2019, 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, 2020.

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 23, 2019, and is effective as of January 1, 2019.