

MERCANTILE BANK CORP

Form S-3D

August 12, 2014

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As filed with the Securities and Exchange Commission on August 12, 2014

Registration No.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MERCANTILE BANK CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Michigan

38-3360865

(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

310 Leonard Street NW,

Grand Rapids, Michigan, 49504

(616) 406-3000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)

Charles E. Christmas

Copies of **Bradley J. Wyatt**
Communications to: **Dickinson Wright PLLC**

**Senior Vice President and
Chief Financial Officer**

**350 S. Main Street, Suite 300
Ann Arbor, Michigan 48104
(734) 623-7075**

Mercantile Bank Corporation

310 Leonard Street NW

Grand Rapids, Michigan 49504

(616) 406-3000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Shares	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock	250,000 shares (2)	\$18.94 (3)	\$4,735,000 (3)	\$609.87

On August 7, 2014, the average of the high and low prices of the Common Stock of Mercantile Bank Corporation (1) on The NASDAQ Stock Market was \$18.94 per share. The registration fee is computed in accordance with Rule 457(c).

In addition, pursuant to Rule 416, this registration statement also covers such indeterminate number of additional (2) shares as may be authorized in the event of adjustments as a result of increases in the number of issued shares of Common Stock resulting from the payment of stock dividends or stock splits or certain other capital adjustments.

(3) Estimated solely for the purpose of calculating the registration fee.

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DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN PROSPECTUS

250,000 Common Shares

The Dividend Reinvestment and Stock Purchase Plan of Mercantile Bank Corporation ("Mercantile") provides our shareholders with an attractive and convenient way to reinvest cash dividends in shares of our common stock and to buy additional shares of our common stock through voluntary cash purchases. The Dividend Reinvestment and Stock Purchase Plan (the "Plan") allows you to:

- reinvest all or part of your cash dividends in shares of our common stock;
- invest voluntary cash payments in shares of our common stock;
- deposit shares of our stock in the Plan for safekeeping; and
- sell the shares you hold in the Plan.

The Plan amends and restates in its entirety our Dividend Reinvestment Plan that was described by our prospectus dated April 10, 2003. This prospectus (the "Prospectus") relates to common shares purchased under the Plan after the date hereof. The price for such shares will be determined pursuant to the terms of the Plan as described herein. Mercantile common shares are listed on NASDAQ under the symbol "MBWM." On August 7, 2014, the NASDAQ Official Closing Price of our common stock was \$18.82 per share.

These securities are not savings or deposit accounts or other obligations of any bank, and they are not insured by the Federal Deposit Insurance Corporation or any other insurer or governmental agency. Investing in our common stock involves risks. SEE "RISK FACTORS" ON PAGE 1 HEREOF.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED WHETHER THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is August 12, 2014. This Prospectus supersedes each previous Plan Prospectus. It is suggested that this Prospectus be retained for future reference.

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RISK FACTORS

Our business is subject to significant risks. You should carefully consider the risks and uncertainties described in this Prospectus and the documents incorporated by reference herein, including the risks and uncertainties described in our consolidated financial statements and the notes to those financial statements and the risks and uncertainties described under the caption "Risk Factors" included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013, and updates in Part II, Item 1A of our Form 10-Q filings, which are incorporated by reference in this Prospectus. If any of the risks and uncertainties described in this Prospectus or the documents incorporated by reference herein actually occur, our business, financial condition and results of operations could be adversely affected in a material way. This could cause the trading price of our common stock to decline, perhaps significantly, and you may lose part or all of your investment.

ABOUT THIS PROSPECTUS

This Prospectus is part of a registration statement ("Registration Statement") that we filed with the Securities and Exchange Commission using a "shelf" registration process. Under the shelf registration process, Mercantile may from time to time sell the shares of Mercantile common stock described in this Prospectus pursuant to the Dividend Reinvestment and Stock Purchase Plan, as described herein.

You should rely only on the information contained or incorporated by reference in this Prospectus. We have not authorized anyone to provide you with information different from that contained in this Prospectus. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where it is lawful to do so. The information in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of our common stock. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Prospectus or that the information contained or incorporated by reference in this Prospectus or any accompanying prospectus supplement is correct as of any time subsequent to the date of such information.

WHERE CAN YOU FIND MORE INFORMATION

We have filed the Registration Statement with the Securities and Exchange Commission, or SEC, under the Securities Act of 1933, as amended, registering the offer and sale of Mercantile common stock pursuant to our Dividend Reinvestment and Stock Purchase Plan. This Prospectus constitutes part of the Registration Statement. The Registration Statement, including the exhibits and schedules attached to the Registration Statement and the information incorporated by reference, contains additional relevant information about us and the securities not

included in this Prospectus. The rules and regulations of the SEC allow us to omit from this Prospectus certain information included in the Registration Statement. In addition, Mercantile files annual, quarterly and current reports, proxy statements and other information with the SEC. These filings are available through Mercantile's website at www.mercbank.com.

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You may also read and copy this information and the Registration Statement at the SEC's Public Reference Room, located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains an Internet website that contains reports, proxy and information statements, and other information about issuers of securities, like us, who file such material electronically with the SEC. The address of that website is www.sec.gov.

INCORPORATED DOCUMENTS

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is an important part of this prospectus, except for any information superseded by information in this prospectus.

This prospectus incorporates by reference the documents set forth below that we have filed (excluding portions of any Form 8-K reports that specify that they have not been "filed" but rather have been "furnished") previously with the SEC (under our SEC File No. 000-26719, unless otherwise indicated):

1. our Annual Report on Form 10-K for the year ended December 31, 2013;
2. our proxy statement in connection with our April 24, 2014 annual meeting of shareholders filed with the SEC on March 14, 2014;
3. our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014;
4. our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014;
5. our Current Report on Form 8-K filed with the SEC on February 21, 2014;
6. our Current Report on Form 8-K filed with the SEC on February 24, 2014;

7.our Current Report on Form 8-K filed with the SEC on April 22, 2014;

8.our Current Report on Form 8-K filed with the SEC on April 25, 2014;

9.our Current Report on Form 8-K filed with the SEC on May 8, 2014;

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10. our Current Reports on Form 8-K filed with the SEC on May 9, 2014;
11. our Current Report on Form 8-K filed with the SEC on May 22, 2014;
12. our Current Report on Form 8-K filed with the SEC on May 28, 2014;
13. our Current Report on Form 8-K filed with the SEC on June 2, 2014; and
14. our Current Report on Form 8-K/A filed with the SEC on August 11, 2014.
15. All other reports filed by Mercantile pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the annual report referred to in paragraph 1 above.

The description of Mercantile's common stock in Item 1 of Mercantile's amended Form 8-A registration statement 16. dated November 23, 2005, filed with the Commission under the Exchange Act on November 23, 2005, including any amendments or reports filed for the purpose of updating the description.

All documents subsequently filed with the SEC by Mercantile pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated in this registration statement by reference and to be a part of this registration statement from the date of filing of such documents.

Any statements contained in this registration statement or in a document incorporated or deemed to be incorporated by reference in this registration statement shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in this registration statement or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this registration statement modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

You can obtain any of the documents incorporated by reference in this Prospectus from us without charge. You can obtain documents incorporated by reference by requesting them from us, either orally or in writing. Requests for such documents should be directed to: Computershare Investor Services, LLC, P.O. Box 43078, Providence, Rhode Island 02940-3078, or via Computershare's secure, online contact form available through Computershare Investor Centre at www.computershare.com/investor under Contact Us, or by calling 1-800-884-4225. You can also obtain these documents on or through our website at <http://www.mercbank.com> and from the sources referenced above under

"Where You Can Find More Information."

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MERCANTILE BANK CORPORATION

Based in Grand Rapids, Michigan, Mercantile Bank Corporation is the registered bank holding company for Mercantile Bank of Michigan. Founded in 1997 to provide banking services to businesses, individuals and governmental units, we differentiate ourselves on the basis of service quality and the expertise of our banking staffs. Mercantile has assets of \$2.9 billion and operates 53 banking offices serving central and western Michigan. Unless the text clearly suggests otherwise, references to “us,” “we,” “our,” or “the company” include Mercantile Bank Corporation and its wholly-owned subsidiaries.

THE DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The following, in a question and answer format, are the provisions of Mercantile’s Dividend Reinvestment and Stock Purchase Plan (the "Plan"). Those holders of our common stock who do not participate in the Plan will continue to receive cash dividends, if and when declared.

Purpose

1. What is the purpose of the Plan?

The purpose of the Plan is to provide record holders of Mercantile’s common shares (which common shares are referred to in this prospectus as our "Common Stock"), who participate in the Plan ("Participants") with an attractive and convenient way to reinvest cash dividends in shares of Common Stock and to buy additional shares of Common Stock through voluntary cash purchases. Each Participant should recognize that neither Mercantile nor the Plan Administrator (as defined in Question 3) can provide any assurance that shares purchased under the Plan will, at any particular time, be worth as much or more than their purchase price.

Benefits

2. What are the principal benefits of the Plan?

• Conveniently acquire additional shares of Common Stock by reinvesting cash dividends and voluntary cash purchases (See Question 13)

• Invest the full available amount of all cash dividends as the Plan provides for fractional interests in the shares held in the Plan (See Question 10)

• Deposit shares of our stock in the Plan for safekeeping (See Question 18)

• Receive a statement of account detailing your transactions and accumulated share balance promptly following each transaction (See Question 17)

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Sell shares directly through the Plan with transaction costs less than a typical full-service or discount broker (See Question 21)

Administration

3. Who administers the Plan for Participants?

Computershare Trust Company, N.A. ("Plan Administrator") administers the Plan as the agent for Participants, and in such capacity sends statements of account to Participants and performs other duties relating to the Plan (See Question 25). You may contact the Plan Administrator using the following options:

Telephone inquiries: 1-800-733-5001

Online inquiries: via the secure, online contact form available through Computershare Investor Centre at www.computershare.com/investor under Contact Us (please include your account number)

Written correspondence (please include your account number):

Computershare Investor Services

Dividend Reinvestment Department

P.O. Box 30170

College Station, TX 77842-3170

Participation

4. Who is eligible to participate?

All U.S. citizens who are currently shareholders of Mercantile are eligible to participate in the Plan.

If you are not a U.S. citizen, you can participate in the Plan, provided there are not any laws or governmental regulations that would prohibit you from participating or laws or governmental regulations that would affect the terms of the Plan. We reserve the right to deny or terminate participation of any shareholder if we deem it advisable under any foreign laws or regulations.

Record holders of Mercantile's Common Stock may participate in the Plan with respect to all or any portion of their common shares. If your shares are held in someone else's name, such as a broker or nominee, you may participate by having the record holder (the "Nominee") execute an Enrollment Form as described in Question 5. To facilitate participation in the Plan by all beneficial owners of Common Stock, the Plan Administrator may accept dividend reinvestment instructions up to the record date established for payment of a particular dividend.

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If you are a beneficial owner, that is your shares are held on the books of the Plan Administrator in the name of a Nominee, your distributions will be reinvested automatically by the Nominee in additional shares under the Plan only if your Nominee provides such a service and you elect to participate in the Plan. Many Nominees do not provide such a service and routinely request dividends and distributions to be paid in cash on all shares registered in their names. Therefore, if your shares are held for your account by a Nominee and you would like to participate in the Plan, then, in addition to enrolling in the Plan as provided in Question 5, you must either make appropriate arrangements for your Nominee to participate on your behalf, or you must become a stockholder of record by having a part or all of your shares transferred to your own name. If your shares are held in the name of a Nominee, you should contact the Nominee for details.

All of the other Plan provisions apply to participation in the Plan by nominees. Without limiting the generality of this statement, voluntary cash purchases with respect to all shares of any record owner may not exceed \$200,000 per year (See Question 15). To avoid such limitation with respect to a nominee, you may elect to have your shares transferred into your own name. In addition, voluntary cash purchases by a nominee must be received by the Plan Administrator within the period described in Question 15 in order to be invested on a particular Investment Date (as defined in Question 8).

5. How does an eligible shareholder enroll in the Plan?

An eligible shareholder may join the Plan at any time by completing and signing an Enrollment Form and returning it to the Plan Administrator. Enrollment Forms may be obtained from the Plan Administrator via any of the methods listed in Question 3. In addition, Participants may enroll online through Computershare Investor Centre accessible at www.computershare.com/investor. Enrollment Forms for new Participants must be received prior to a dividend record date for eligible shareholders to reinvest that dividend.

6. What dividend participation options are available under the Plan?

Record holders of Common Stock may elect the reinvestment of cash dividends as follows:

A. Full Dividend Reinvestment. You may elect to reinvest all of your cash dividends by designating your election on your Enrollment Form. Dividends paid on all shares registered in your name in share certificate form and/or credited to your account will be reinvested under the Plan in additional common shares. Automatic reinvestment of your dividends does not relieve you of liability for income taxes that may be owed on your dividends.

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B. *Partial Dividends Paid in Cash.* You may elect to receive part of your dividends in cash by designating your election on your Enrollment Form. If you elect this option, you must specify the number of whole shares for which you want to receive cash dividends. Dividends paid on all other shares registered in your name in share certificate form and/or credited to your account will be reinvested under the Plan in additional common shares.

C. *All Dividends Paid in Cash (No Dividend Reinvestment).* You may elect to receive all of your dividends in cash by designating your election on your Enrollment Form. Dividends paid on all shares registered in your name in certificate form and/or credited to your account will be paid in cash. Dividends paid in cash will be sent to you by check in the manner in which such dividends are sent to shareholders of Mercantile.

7. How do you change your dividend reinvestment option under the Plan?

As a Participant, you may change your dividend reinvestment option at any time. If you wish to change the number of shares of Common Stock subject to dividend reinvestment under the Plan, you may do so online through Computershare Investor Centre accessible at www.computershare.com/investor or you may notify the Plan Administrator by telephone or in writing as described in Question 3. Any such notification received after a dividend record date will not be effective for such record date, so cash dividends will be reinvested and the shares credited to your account according to prior instructions.

Purchases

8. When will shares of Common Stock be purchased under the Plan?

Cash dividends will be used to purchase Common Stock on the date cash dividends are paid to shareholders of record. If the dividend payment date is not a trading day, then dividends will be used to purchase Common Stock on the next trading day. Voluntary cash purchases will be invested on the tenth (10th) day of each month or the next trading day if the 10th day is not a trading day. Each date on which dividends are reinvested and/or cash purchases are invested is referred to as an "Investment Date."

Purchases on the open market will begin on the Investment Date and will be completed no later than 30 days from such date with respect to dividend reinvestment and 35 days with respect to voluntary cash purchases except where completion at a later date is necessary or advisable under federal securities laws.

Interest will not be paid on funds held pending investment.

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9. From what source and at what price will shares of Common Stock be purchased under the Plan?

At Mercantile's option, shares of Common Stock to be purchased under the Plan will be purchased directly from Mercantile as newly issued shares, purchased on the open market, or a combination of the foregoing. You cannot choose the source of our shares; this is entirely at our discretion.

The price of shares of Common Stock will be the average of the high and low prices of Mercantile common stock in transactions reported on The NASDAQ Stock Market on the trading day preceding the Investment Date.

Share purchases in the open market may be made in The NASDAQ Stock Market or by negotiated transactions on terms that the Plan Administrator may reasonably determine. The price charged to you for any shares purchased by the Plan Administrator in open market transactions will be the weighted average price paid by the Plan Administrator on the Investment Date. Neither Mercantile nor any participant will have any authority or power to direct the date, time, or price at which shares of Mercantile Common Stock may be purchased or the selection of a broker or dealer through or from whom purchases are to be made.

Mercantile will not change our determination of whether shares purchased for the Plan will be purchased from authorized but unissued shares or in the open market more than once every three months and without a determination by its Board of Directors or Chief Financial Officer that our need to raise additional capital has changed or there is another valid reason for the change.

The Plan Administrator will combine your funds with those of other Participants for the purposes of making purchases.

10. How many shares of Common Stock will be purchased?

The number of shares that will be purchased for you will depend on the amount of cash dividends to be reinvested and voluntary cash purchases (if any) in your Plan account and the applicable purchase price of the Common Stock (See Question 9). Your account will be credited with that number of shares, including any fractional interest computed to six decimal places, equal to the total amount to be invested less any applicable fees, divided by the applicable purchase price as described in Question 9.

11. Will cash dividends on shares held in a Participant's account be used to purchase additional shares under the Plan?

Cash dividends on the number of shares you specify upon enrollment will be reinvested in accordance with the Plan whether you hold physical certificates for those shares or such shares are held in book entry in your Plan account. If you have specified full dividend reinvestment for all of your common shares, all cash dividends on shares held in your Plan account as well as on common shares for which you hold certificates will be automatically reinvested in additional shares of Common Stock until you notify the Plan Administrator otherwise (See Question 7).

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12. Are there any expenses to Participants in connection with cash dividends used for purchases under the Plan?

No. You do not incur any transaction fees or other charges for using cash dividends to make purchases under the Plan. However, certain other services offered through the Plan may involve fees (See Questions 16 and 21).

Voluntary Cash Purchases

13. Who is eligible to make voluntary cash purchases?

All record holders of Common Stock who enroll in the Plan may elect to make voluntary cash purchases.

14. How does the voluntary cash purchase option work?

Participants may purchase additional shares of Common Stock by forwarding a check to the Plan Administrator with the optional cash purchase form attached to each statement of your Plan account. Checks should be made payable to "Computershare," include your account number and be made payable in U.S. dollars. If you are not in the U.S., contact your bank to verify that they can provide you with a check that clears through a U.S. bank and can print the dollar amount in U.S. funds. Due to the longer clearance period, the Plan Administrator is unable to accept checks clearing through non-U.S. banks. All checks should be sent to the Plan Administrator, at the address provided in Question 3. The Plan Administrator will not accept cash, money orders, traveler's checks or third party checks.

You may also make voluntary cash purchases through Computershare Investor Centre accessible at www.computershare.com/investor by authorizing a one-time online bank debit from an account at a U.S. bank or financial institution. The online confirmation will contain the account debit date and investment date.

Additionally, you may make recurring automatic investments of a specified amount (up to \$200,000 per calendar year) through an Automated Clearing House (ACH) withdrawal from a predesignated account at a U.S. bank or financial institution. To initiate automatic deductions, you may enroll through Computershare Investor Centre accessible at www.computershare.com/investor or complete and sign a Direct Debit Authorization Form and return it to the Plan Administrator together with a voided blank check or savings account deposit slip for the account from

which funds are to be drawn. A Direct Debit Authorization Form may also be obtained by calling the Plan Administrator. Forms will be processed and will become effective as promptly as practicable; however, you should allow four to six weeks for your first investment to be initiated. Once recurring automatic deductions are initiated, funds will be drawn from your account on the 7th of each month, or the next business day if the 7th is not a business day. Automatic deductions will continue at the level you set until you change your instructions by notifying the Plan Administrator.

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Any voluntary cash purchase received by the Plan Administrator will be applied to the purchase of shares of Common Stock on the applicable Investment Date as described in Questions 8 and 15, depending on when the payment is received, at a price determined in accordance with the provisions of the Plan (See Questions 8 through 10). No interest will be paid on uninvested voluntary cash purchases. You may obtain the return of any voluntary cash payment if such request is received by the Plan Administrator on or before the second business day prior to the Investment Date on which it is to be invested.

In the event that any Participant's check for a cash purchase is returned unpaid for any reason, or an electronic funds transfer is not effected, the Plan Administrator will consider the request for investment of such funds null and void. If any shares were purchased for the Participant's Plan account upon the prior credit of such funds, the Plan Administrator shall immediately remove those shares from such Participant's Plan account. The Plan Administrator shall thereupon be entitled to sell the shares to satisfy any uncollected amount plus any applicable fees (currently \$25). If the net proceeds from the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, the Plan Administrator shall be entitled to sell such additional shares from the Participant's Plan account as may be necessary to satisfy the uncollected balance.

15. Are there limitations on voluntary cash purchases?

Voluntary cash payments to be applied to the purchase of shares on any given Investment Date must be received by the Plan Administrator no later than two business days prior to such Investment Date. Voluntary cash payments received after such time will be held without interest for investment on the succeeding Investment Date for voluntary cash purchases. Voluntary cash purchases may not be less than \$50 per purchase and such purchases on behalf of any Participant may not aggregate more than \$200,000 per calendar year. Mercantile reserves the right in its sole discretion to determine whether voluntary cash purchases are made on behalf of a particular Participant.

16. Are there any expenses to Participants in connection with voluntary cash purchases under the Plan?

All costs for the purchase of shares and administration of the Plan will be paid by Mercantile with the exception of:

• Costs associated with automatic investments which may be assessed by your financial institution, as described in Question 14 above;

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• Any costs resulting from you having insufficient funds to effect payment for initial and/or optional investments, as described in Question 14 above;

• Those costs associated with your direction to the Plan Administrator to sell all or a portion of your shares as described under in Question 21 below; and

• Those costs related to a sale of a fractional share, as described in Question 20 below.

Reports to Participants

17. What kind of reports will be sent to Participants in the Plan?

A Dividend Reinvestment Plan statement will be mailed to each Participant as soon as practicable after each investment. These statements will provide a record of cost basis information and should be retained for tax purposes. Each Participant will also receive information for year-end income tax reporting purposes. If you have deposited other Mercantile shares with the Plan Administrator as discussed in Question 18, you will receive information with respect to such shares in your regular Dividend Reinvestment Plan statement.

All notices from the Plan Administrator will be addressed to you at your last address of record with the Plan Administrator. The mailing of a notice to your last address of record will satisfy the Plan Administrator's duty of giving notice to you. Therefore, you must promptly notify the Plan Administrator of any change of address. You may elect to receive your Plan statement and other information via electronic delivery by signing up for electronic shareholder communications eDelivery through Computershare Investor Centre at www.computershare.com/investor. Statements are available through Computershare Investor Centre at www.computershare.com/investor at no charge. The Plan Administrator charges a fee for providing copies of previous years' statements. The current fee which is subject to change is \$10.

Contribute Shares

18. Can you contribute shares you already own to your Plan account?

Yes, you may deposit additional shares. If you hold paper stock certificates, forward the certificates to the Plan Administrator to the address set forth in Question 3 with the form located on the back of your Dividend Reinvestment Plan statement or a letter indicating you would like the shares deposited in your Plan account. We recommend that, when sending share certificates to the Plan Administrator, you do not sign the certificates and you send the certificates by courier service, certified mail or other traceable delivery service, and properly insured.

You may contribute book-entry direct registration shares by requesting the Plan Administrator (through the Internet, by telephone or in writing) to move your book-entry direct registration shares into your Plan account.

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