

MERCANTILE BANK CORPORATION
MERCANTILE BANK
(Its affiliates and subsidiaries)

Community Supplier Program Policy

Purpose

The purpose of the Mercantile Bank Community Supplier Program is to assist in identifying the best suppliers, support our competitive pledge of excellence, ensure customer satisfaction, increase the Bank's sustainability, and promote diversity, innovation and social responsibility while reflecting, supporting, and creating a positive economic impact in the communities the Bank serves.

Objectives

Mercantile Bank ("the Bank"), is committed to utilizing and fairly considering suppliers within the local community to support the Bank's strategic sourcing of goods and services. Suppliers that seek to do business with the Bank must demonstrate the ability to add value, provide high-quality goods and services that are competitively priced, reliable, and aligned with our commitment to deliver excellent service. This includes adhering to the Bank's Vendor and Supplier Code of Conduct, which can be found on the Investor Relations website. The Bank recognizes that its business performance is enhanced through the expertise and creativity of all the Bank's suppliers. Purchases of goods and services shall be made from such community suppliers to the fullest extent possible, consistent with this policy and the efficient performance of the Bank's operations.

The Bank's community supplier objectives include:

- Promote actively seeking out suppliers within the local markets the Bank serves that are able to provide competitive, high-quality goods and services and whose business model is aligned with the Bank's business strategy.
- Ensuring the inclusion of community suppliers as a part of the Bank's strategic procurement process.
- Communicating the value and process of the Community Supplier Program both internally and externally to all stakeholders.

Success will be measured by the Bank's ability to attain and exceed these objectives while enabling the growth of community suppliers in our communities. We strive to create supplier relationships that allow community suppliers to continue to develop, while offering quality products at competitive prices.

Program

The Bank is committed to building a strong Community Supplier Program that consists of internal and external deliverables to help sustain program success for all stakeholders.

The Community Supplier Program will include:

- Program Oversight – overseeing the Bank’s Community Supplier Program shall be the responsibility of the Director of Enterprise Excellence, with support from the Talent & Culture Officer, the Vendor Management Department and the Enterprise Excellence Committee.
- Objective Measurements — establishing and meeting company and departmental goals and objectives that support the Bank’s overall sourcing strategy.
- Tracking and Reporting — monitoring and reporting on the Bank’s progress toward achieving its community supplier goals and objectives with a strong emphasis on continuous improvement.
- Training and Education — helping to ensure that associates in decision-making positions throughout our organization understand the Bank’s Community Supplier principles and commitment.
- External Outreach Activities — seeking Community Suppliers through active involvement with small business and minority development organizations.
- Supplier Development – increasing Community Supplier capacity and the Bank’s innovation, sustainability, and competitiveness within the marketplace.
- Communications — educating employees, management, suppliers, and the community-at-large on the Bank’s Community Supplier Program and policies.

From time to time, the Bank may provide educational opportunities about its procurement process, its Community Supplier Program and partnerships with supplier councils to maximize the impact of the Community Supplier Program. This policy is dynamic and may be changed at the discretion of the Board of Directors of the Bank to align with business changes.