



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

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 identifying and 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.
3. The Committee considers diversity as one of many important aspects as they contemplate Director candidates for both of the Boards. Mercantile is committed to fostering, cultivating, and preserving a culture of respect and dignity for each individual because embracing human diversity makes the organization stronger. The Committee considers gender, racial and ethnic diversity to be an asset when identifying Director candidates.
4. The Committee is responsible for annually reviewing, approving and overseeing any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) on an ongoing basis. As part of this review, the Committee, along with the full Board, reviews the financial and other relationships disclosed between the non-Management Bank Directors and the Company and/or the Bank. The Committee makes recommendations to the Board about the independence of non-Management Directors.
5. The Committee considers Director candidates recommended by holders of the Company's stock or other securities pursuant to the procedures set forth in the Company's Corporate Governance Guidelines and as described in the Company's proxy statement. Recommendations by security holders should be submitted to the Committee.
6. 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 at least once a year, recommending changes as necessary to reflect sound governance practices. The Committee monitors compliance with the Guidelines.
7. 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.
8. The Committee organizes and conducts an annual performance evaluation of the Board, its Committees and an assessment of each individual Director's performance, reporting the results to the Board of Directors.
9. 8The Committee has the authority to delegate appropriate matters to subcommittees as the Committee may determine in its discretion.

10. 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.
11. The Chairperson of the Committee or another of its members reports the actions and recommendations of the Committee to the full Board of Directors.
12. 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.
13. The Committee is responsible for the oversight of the Environmental, Social and Governance (ESG) matters and the Enterprise Excellence Committee, by reviewing quarterly reports, discussing key initiative updates with the Director of Enterprise Excellence, providing guidance and ensuring the appropriateness of the Company's strategies and goals.
14. The Committee is responsible for reviewing and approving any pledges of Company securities as collateral for a lending relationship by Directors and Executive Officers of the Company. The Committee may, in its sole discretion, reject the proposed pledge, permit the proposed pledge or place conditions upon the proposed pledge, as the Committee deems prudent to protect the interests of the Company and its shareholders.