

MERCANTILE BANK CORPORATION

CODE OF ETHICS

I. OVERVIEW

Mercantile Bank Corporation's Code of Ethics sets forth the guiding principles by which we intend to operate our company and conduct our daily business with our shareholders, customers, vendors and with each other. These principles apply to all of the directors, officers and employees of Mercantile Bank Corporation and all of its subsidiaries (referred to as the "Company" or "Mercantile").

II. PRINCIPLES

Complying with Laws, Regulations, Policies and Procedures

All directors, officers and employees of Mercantile are expected to understand, respect and comply with all of the laws, regulations, policies and procedures that apply to them in their position with Mercantile. Employees are responsible for talking to their managers or compliance officer to determine which laws, regulations and Mercantile policies apply to their position and what training is necessary to understand and comply with them.

Conflicts of Interest

All directors, officers and employees of Mercantile should avoid any action or interest that conflicts or gives the appearance of a conflict with Mercantile's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of Mercantile. A conflict situation can arise when an employee, officer or director takes action or has interests that may make it difficult to perform his or her work for Mercantile objectively and effectively. Conflicts of interest may also arise when a director, officer, or employee or a member of his or her family receives improper personal benefits as a result of his or her position with Mercantile, whether from a third party or from Mercantile. Mercantile employees are encouraged to utilize Mercantile's products and services, but this must be done on an arm's length basis.

Conflicts of interest may not always be clear-cut, so if a question arises, an officer or employee should consult with their supervisor or manager. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel, and take reasonable steps to handle the conflict of interest in an ethical manner that avoids the conflict having an adverse affect on Mercantile.

Corporate Opportunity

Directors, officers and employees are prohibited from (a) taking for themselves personally opportunities that properly belong to Mercantile or are discovered through the use of corporate property, information, or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company. Directors, officers and employees owe a duty to Mercantile to advance Mercantile's legitimate interests when the opportunity to do so arises.

Confidentiality

Directors, officers and employees must maintain the confidentiality of confidential information entrusted to them by Mercantile or its suppliers or customers, except when disclosure is specifically required by laws, regulations, or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of Mercantile or its customers or employees if disclosed.

Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior and diligent performance, never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

Each director, officer and employee is expected to deal fairly with Mercantile's customers, suppliers, competitors, officers and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Protection and Proper Use of Assets

Directors, officers and employees should take reasonable steps to protect Mercantile's assets and provide for their efficient use. All Mercantile assets should be used for legitimate business purposes.

Public Company Reporting

As a public company, it is important that Mercantile's filings with the Securities and Exchange Commission and other public communications be accurate and timely. Depending on their position with the Company, an employee, officer or director may be called upon to provide necessary information to assist Mercantile in making its public reports and other public communications complete, fair and understandable. Mercantile expects employees, officers and directors to take this responsibility seriously and to provide prompt accurate answers to inquiries related to Mercantile's public disclosure requirements.

Financial Statements and Other Records

All of the Company's books, records, accounts and financial statements should be maintained in reasonable detail, should appropriately reflect the Company's transactions and should conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation. Records should be retained or destroyed according to the Company's record retention policies.

III. Reporting Illegal or Unethical Behavior & Accounting Complaints

Employees, officers and directors who suspect or know of violations of this Code or illegal or unethical business or workplace conduct by employees, officers or directors have an obligation to contact either their supervisor or superiors or Mercantile's Internal Audit Department. If the individuals to whom such information is conveyed are not responsive, or if there is a reason to believe that reporting to such individuals is inappropriate in particular cases, then the employee, officer or director may utilize the "Contact Us" feature on Mercantile's website. If the employee is still not satisfied with the response, the employee may contact the Audit Committee of the Board of Directors of the Company. If concerns or complaints relate to accounting, internal accounting controls or auditing matters, they may be reported on a confidential and anonymous basis using the procedure established by the Audit Committee for that purpose, subject to applicable law.

Non-Retaliation

Mercantile prohibits retaliation of any kind against individuals who have made good faith reports or complaints of violation of the Code or other known or suspected illegal or unethical conduct.

IV. Amendment, Modification and Waiver

This Code may be amended or modified by the Board of Directors of Mercantile. Waivers of this Code for directors or executive officers may only be granted by the Board of Directors. Waivers of this Code that relate to Mercantile's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, or to directors or other executive officers of Mercantile will be publicly disclosed, with the reasons for the waiver, to the extent required by the Securities Exchange Act of 1934 and the rules under the Act and the applicable rules of The Nasdaq Stock Market.