

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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): October 9, 2018**

Commission File Number 0-17071

**FIRST MERCHANTS CORPORATION**

(Exact name of registrant as specified in its charter)

INDIANA	35-1544218
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

**200 East Jackson Street  
P.O. Box 792  
Muncie, IN 47305-2814**

(Address of principal executive offices, including zip code)

**(765) 747-1500**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

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:

- 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01. Entry Into a Material Definitive Agreement.

On October 9, 2018, First Merchants Corporation, an Indiana corporation ("First Merchants"), and MBT Financial Corp., a Michigan corporation ("MBT"), entered into an Agreement and Plan of Reorganization and Merger (the "Merger Agreement"), pursuant to which MBT will, subject to the terms and conditions of the Merger Agreement, merge with and into First Merchants (the "Merger"), whereupon the separate corporate existence of MBT will cease and First Merchants will survive. Immediately following the Merger, MBT's wholly-owned subsidiary, Monroe Bank & Trust, shall be merged with and into First Merchants' wholly-owned subsidiary, First Merchants Bank, with First Merchants Bank as the surviving bank. Based on the closing price of First Merchants' common stock on October 9, 2018 of \$45.71 per share, the transaction value is estimated at approximately \$290.9 million.

The transaction is expected to be a tax-free stock exchange for MBT's shareholders who will be receiving First Merchants' common stock pursuant to the Merger. Subject to MBT's shareholders' approval of the Merger, regulatory approvals and other customary closing conditions, the parties anticipate completing the Merger in the first half of 2019. A copy of the Merger Agreement is filed as Exhibit 2.1 and incorporated herein by reference.

The Boards of Directors of both First Merchants and MBT have approved the Merger Agreement. The members of the Board of Directors of MBT, together with Patriot Financial Partners and Castle Creek Capital Partners as principal shareholders of MBT, have entered into a Voting Agreement pursuant to which each of them has agreed to vote their shares of MBT common stock in favor of the Merger. A copy of the Voting Agreement is filed as Exhibit 10.1 and incorporated herein by reference.

Subject to the terms and conditions of the Merger Agreement, upon the completion of the Merger, each share of outstanding MBT common stock, without par value, will be converted into a 0.275 share (the "Exchange Ratio") of First Merchants common stock, \$0.125 stated value per share. The Exchange Ratio is subject to adjustments for stock splits, stock dividends, recapitalization, or similar transactions, or as otherwise described in the Merger Agreement. Fractional shares of First Merchants common stock will not be issued in respect of fractional interests arising from the Exchange Ratio but will be paid in cash pursuant to the Merger Agreement. Immediately prior to the Merger, each outstanding MBT stock appreciation right and restricted stock unit held by certain directors, executive officers and employees of MBT, whether unvested or vested, will be exchanged for shares of MBT common stock according to their respective award agreement terms.

The Merger Agreement contains representations, warranties and covenants of MBT and First Merchants, including, among others, covenants (i) to, subject to certain exceptions as more fully set forth in the Merger Agreement, conduct their respective businesses in the ordinary course during the period between the execution of the Merger Agreement and consummation of the Merger and (ii) prohibiting MBT, subject to certain exceptions more fully set forth in the Merger Agreement, from engaging in certain kinds of transactions during such period. The Board of Directors of MBT has adopted a resolution recommending the approval and adoption of the Merger Agreement by its shareholders, and MBT has agreed to hold a shareholder meeting to put the Merger before its shareholders for consideration. MBT has also agreed, for a period of time and subject to certain exceptions as set forth in the Merger Agreement, not to (i) solicit proposals relating to alternative business combination transactions or (ii) enter into discussions or negotiations or provide confidential information in connection with any proposals for alternative business combination transactions.

Consummation of the Merger is subject to various conditions, including, among others, (i) requisite approvals of the holders of MBT common stock; (ii) effectiveness of a Form S-4 registration statement relating to the First Merchants common stock to be issued in the Merger and listing of the First Merchants common stock to be issued in the Merger on the NASDAQ Global Select Market; and (iii) receipt of regulatory approvals.

The Merger Agreement contains certain termination rights for both First Merchants and MBT. Under certain circumstances, termination of the Merger Agreement may result in the payment of a termination fee to First Merchants or to MBT, all as more fully described in the Merger Agreement.

The foregoing description of the Merger Agreement and the Voting Agreement is not complete and is qualified in its entirety by reference to the Merger Agreement and the Voting Agreement, which are filed as Exhibits 2.1 and 10.1, respectively, and, as mentioned above, are incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On October 10, 2018, First Merchants and MBT issued a joint press release announcing the execution of the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

In addition, on October 10, 2018, First Merchants intends to provide supplemental information regarding the Merger in connection with a conference call with analysts and investors. A copy of the slides that will be made available in connection with the call is attached hereto as Exhibit 99.2 and incorporated herein by reference.

**FORWARD-LOOKING STATEMENTS**

This filing and the exhibits hereto contain forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the proposed Merger, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of First Merchants’ goals, intentions and expectations; statements regarding First Merchants’ business plan and growth strategies; statements regarding the asset quality of First Merchants’ loan and investment portfolios; and estimates of First Merchants’ risks and future costs and benefits, whether with respect to the Merger or otherwise.

These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of First Merchants and MBT will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required regulatory and shareholder approvals, and the ability to complete the Merger on the expected timeframe; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the creditworthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like First Merchants’ affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with First Merchants’ business; and other risks and factors identified in First Merchants’ filings with the Securities and Exchange Commission.

First Merchants does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this filing. In addition, First Merchants’ and MBT’s past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

## ADDITIONAL INFORMATION FOR SHAREHOLDERS

This filing does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed Merger will be submitted to MBT's shareholders for their consideration. In connection with the proposed Merger, First Merchants will file with the SEC a Registration Statement on Form S-4 that will include a Proxy Statement for MBT and a Prospectus of First Merchants, as well as other relevant documents concerning the proposed transaction. SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE CORRESPONDING PROXY STATEMENT-PROSPECTUS REGARDING THE MERGER WHEN THEY BECOME AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, TOGETHER WITH ALL AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION. Once filed, you may obtain a free copy of the Proxy Statement-Prospectus, when it becomes available, as well as other filings containing information about First Merchants and MBT, at the SEC's website (<http://www.sec.gov>). You may also obtain these documents, free of charge, by accessing First Merchants' website (<http://www.firstmerchants.com>) under the tab "Investors," then under the heading "Financial Information" and finally under the link "SEC Filings," or by accessing MBT's website (<http://www.mbandt.com>) under the link "Investor Relations."

First Merchants and MBT and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of MBT in connection with the proposed Merger. Information about the directors and executive officers of First Merchants is set forth in the proxy statement for First Merchant's 2018 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 22, 2018. Information about the directors and executive officers of MBT is set forth in the proxy statement for MBT's 2018 annual meeting of shareholders, as filed with the SEC on Schedule 14A on March 19, 2018. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement-Prospectus regarding the proposed Merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
2.1	<a href="#">Agreement and Plan of Reorganization and Merger between First Merchants Corporation and MBT Financial Corp., dated October 9, 2018</a>
10.1	<a href="#">Voting Agreement, dated October 9, 2018, among First Merchants Corporation, each member of the Board of Directors of MBT Financial Corp., Patriot Financial Partners and Castle Creek Capital Partners</a>
99.1	<a href="#">Press Release, dated October 10, 2018</a>
99.2	<a href="#">Conference Call Presentation, October 10, 2018</a>

**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.

Date: October 10, 2018

First Merchants Corporation

By: /s/ Mark K. Hardwick  
Mark K. Hardwick  
Executive Vice President,  
Chief Operating Officer  
and Chief Financial Officer

**AGREEMENT AND Plan OF REORGANIZATION AND MERGER  
BETWEEN  
FIRST MERCHANTS CORPORATION  
AND  
MBT FINANCIAL CORP.**

**THIS AGREEMENT AND PLAN OF REORGANIZATION AND MERGER** (the “**Agreement**”), is entered as of the 9th day of October, 2018, by and between **FIRST MERCHANTS CORPORATION**, an Indiana corporation (“**First Merchants**”) and **MBT FINANCIAL CORP.**, a Michigan corporation (“**MBT**”).

**WITNESSETH:**

**WHEREAS**, First Merchants is a registered bank holding company under the Bank Holding Company Act of 1956, as amended, with its principal place of business in Muncie, Delaware County, Indiana, with First Merchants Bank, an Indiana commercial bank (“**FMB**”) as its wholly-owned subsidiary;

**WHEREAS**, MBT is a registered bank holding company under the Bank Holding Company Act of 1956, as amended, with its principal place of business in Monroe, Monroe County, Michigan, with Monroe Bank & Trust, a Michigan commercial bank (the “**Bank**”) as its wholly-owned subsidiary;

**WHEREAS**, MB&T Financial Services, Inc., a Michigan corporation (“**MB&T Financial**”) is a wholly-owned subsidiary of the Bank (the Bank and MB&T Financial are sometimes collectively referred to herein as the “**Subsidiaries**” or individually as a “**Subsidiary**”);

**WHEREAS**, it is the desire of First Merchants and MBT to effect a series of transactions whereby (i) MBT will consolidate and merge with and into First Merchants, and (ii) the Bank will merge with and into FMB;

**WHEREAS**, the Boards of Directors of First Merchants and MBT have approved this Agreement and authorized its execution; and

**WHEREAS**, for federal income tax purposes, it is intended that the merger of MBT with and into First Merchants shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and First Merchants and MBT desire to and hereby adopt this Agreement as a plan of reorganization for purposes of Sections 354 and 361 of the Code;

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, First Merchants and MBT hereby make this Agreement and prescribe the terms and conditions of the merger of MBT with and into First Merchants and the Bank with and into FMB and the mode of carrying the transactions into effect as follows:

## SECTION 1

### THE MERGERS

1.1 MBT Merger. Subject to the terms and conditions of this Agreement, on the Effective Date (as defined in Section 11 hereof), MBT shall be merged with and into First Merchants pursuant to the terms and conditions of this Agreement and otherwise in accordance with the Indiana Business Corporation Law and the Michigan Business Corporation Act (the “**Merger**”). First Merchants, as the continuing corporation, shall sometimes be referred to herein as the “**Continuing Company**” and shall continue its corporate existence under the laws of the State of Indiana, pursuant to the provisions of and with the effect provided in the Indiana Business Corporation Law and particularly Indiana Code § 23-1-40.

1.2 The Bank Merger. Subject to the terms and conditions of this Agreement, on the Effective Date and immediately after the Merger, the Bank shall be consolidated and merged with and into FMB pursuant to the terms and conditions of the Agreement and Plan of Merger attached hereto as Exhibit A (the “**Bank Merger Agreement**”) and otherwise in accordance with 12 U.S.C. §1828(c), the Indiana Financial Institutions Act, as amended, and the Michigan Banking Code of 1999, as amended, together with any regulations promulgated thereunder (the “**Bank Merger**”).

1.3 Right to Revise Mergers. The parties may, at any time, change the method of effecting the Merger or the Bank Merger if and to the extent the parties deem such change to be desirable, including, without limitation, to provide for the merger of MBT into a wholly-owned subsidiary of First Merchants and/or the merger of the Bank or either of them into FMB or wholly-owned subsidiaries of First Merchants or FMB; provided, however, that no such change, modification or amendment shall (a) alter or change the amount or kind of consideration to be received by the shareholders of MBT specified in Section 3 hereof as a result of the Merger, except in accordance with the terms of Section 3 hereof; (b) adversely affect the tax treatment to the shareholders of MBT; or (c) materially impede or delay receipt of any approvals referred to in this Agreement or the consummation of the transactions contemplated by this Agreement.

## SECTION 2

### EFFECT OF THE MERGER

Upon the Merger becoming effective:

2.1 General Description. The separate existence of MBT shall cease, and the Continuing Company shall possess all of the assets of MBT and shall succeed to and assume all of the rights, privileges, immunities, powers, franchises, duties, obligations and liabilities of MBT.

2.2 Name, Offices, and Management. The name of the Continuing Company shall continue to be “First Merchants Corporation.” Its principal office shall be located at 200 E. Jackson Street, Muncie, Indiana. The Board of Directors of the Continuing Company, until such time as their successors have been elected and qualified, shall consist of the current Board of Directors of First Merchants. The officers of First Merchants immediately prior to the Effective Date shall continue as the officers of the Continuing Company.

2.3 Capital Structure. The amount of capital stock of the Continuing Company shall not be less than the capital stock of First Merchants immediately prior to the Effective Date increased by the amount of capital stock issued in accordance with Section 3 hereof.

2.4 Articles of Incorporation and Bylaws. The Articles of Incorporation and the Bylaws of the Continuing Company shall be those of First Merchants immediately prior to the Effective Date until the same shall be further amended as provided therein or by law.

2.5 Assets and Liabilities. The title to all assets, real estate and other property owned by First Merchants and MBT shall vest in the Continuing Company without reversion or impairment. All liabilities of MBT shall be assumed by the Continuing Company.

2.6 Additional Actions. If, at any time after the Effective Date, the Continuing Company shall consider or be advised that any further deeds, assignments or assurances in law or any other acts are necessary or desirable (a) to vest, perfect or confirm, of record or otherwise, in the Continuing Company its right, title or interest in, to or under any of the rights, properties or assets of MBT or the Subsidiaries, or (b) otherwise carry out the purposes of this Agreement, MBT and the Subsidiaries and their respective officers and directors shall be deemed to have granted to the Continuing Company an irrevocable power of attorney to execute and deliver all such deeds, assignments or assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in the Continuing Company and otherwise to carry out the purposes of this Agreement, and the officers and directors of the Continuing Company are authorized in the name of MBT or the Subsidiaries or otherwise to take any and all such action.

### SECTION 3

#### CONSIDERATION TO BE DISTRUBUTED

3.1 Consideration. Upon and by reason of the Merger becoming effective, the holders of record, on the Effective Date, of MBT common stock, without par value (“**MBT Common Stock**”) shall be entitled to receive, in exchange for each share of MBT Common Stock held, a 0.2750 (the “**Exchange Ratio**”) share of First Merchants’ common stock (“**First Merchants Common Stock**”). The Exchange Ratio shall be subject to adjustment as set forth in Section 3.3.

3.2 Fractional First Merchants Common Shares. Certificates for fractional shares of First Merchants Common Stock shall not be issued in respect of fractional interests arising from the Exchange Ratio. Each holder of MBT Common Stock who would have otherwise been entitled to a fraction of a share of First Merchants Common Stock, upon surrender of all such shareholder’s certificates representing MBT Common Stock, shall be paid in cash (without interest), an amount rounded to the nearest whole cent, determined by multiplying the First Merchants Average Price (as defined below) by the fractional share of First Merchants Common Stock to which such holder of MBT Common Stock would otherwise be entitled. No such holder of MBT Common Stock shall be entitled to dividends, voting rights, or any other rights in respect of any fractional share. The term “**First Merchants Average Price**” shall mean the average closing price of a share of First Merchants Common Stock as reported by Bloomberg, L.P. for the ten (10) days that First Merchants Common Stock trades on the NASDAQ Global Select Market preceding the fourth (4th) calendar day prior to the Effective Date. The First Merchants Average Price shall be appropriately and proportionately adjusted to reflect any share adjustment as contemplated by Section 3.3 hereof.



3.3 Recapitalization. If, between the date of this Agreement and the Effective Date, First Merchants issues a stock dividend with respect to its shares of common stock, combines, subdivides, or splits up its outstanding shares or takes any similar recapitalization action, then the Exchange Ratio shall be adjusted so that each holder of MBT Common Stock shall receive such number of shares of First Merchants Common Stock as represents the same percentage of outstanding shares of First Merchants Common Stock at the Effective Date as would have been represented by the number of shares of First Merchants Common Stock such shareholder would have received if the recapitalization had not occurred.

3.4 Distribution of First Merchants' Common Stock.

(a) Each share of common stock of First Merchants outstanding immediately prior to the Effective Date shall remain outstanding unaffected by the Merger.

(b) On or prior to the Effective Date, First Merchants shall (i) authorize the issuance of and shall make available to American Stock Transfer & Trust Company, LLC or such other exchange agent selected by First Merchants (the "**Exchange Agent**"), for the benefit of the registered shareholders of MBT Common Stock for exchange in accordance with this Section 3, certificates or book entry for shares (as requested by the registered shareholder of MBT) of First Merchants Common Stock (the "**First Merchants Stock Certificates**") to be issued pursuant to Section 3.1, and (ii) shall deposit with the Exchange Agent sufficient cash for payment of cash in lieu of any fractional shares of First Merchants Common Stock in accordance with Section 3.2. Such First Merchants Stock Certificates and cash are referred to in this Section 3 as the "**Exchange Fund**." First Merchants shall be solely responsible for the payment of any fees and expenses of the Exchange Agent.

(c) Within three (3) business days following the Effective Date, the Exchange Agent shall mail to each holder of MBT Common Stock a letter of transmittal (the "**Letter of Transmittal**") providing (i) with respect to MBT shareholders whose shares of MBT Common Stock are held in certificate form that delivery shall be effected and risk of loss of title to the certificates representing MBT Common Stock shall pass only upon delivery of the certificates to the Exchange Agent and (ii) with respect to MBT shareholders whose shares of MBT Common Stock are held in certificate form instructions as to the transmittal to the Exchange Agent of certificates representing shares of MBT Common Stock and, with respect to all holders of MBT Common Stock, instructions as to the issuance of shares of First Merchants Common Stock in exchange therefor pursuant to the terms of this Agreement. Distribution of shares of First Merchants Common Stock Certificates (or book entry) and cash payments in lieu of fractional shares shall be made by the Exchange Agent to each former holder of MBT Common Stock within five (5) business days following the later of the Effective Date or with respect to MBT shareholders whose shares of MBT Common Stock are held in certificate form, the date of such shareholder's delivery to the Exchange Agent of such shareholder's certificates representing MBT Common Stock, and with respect to all holders of MBT Common Stock a properly completed and executed Letter of Transmittal. Interest shall not accrue or be payable with respect to any cash payments.

(d) Following the Effective Date, stock certificates representing MBT Common Stock shall be converted to, and deemed to evidence only the right to receive such number of shares of First Merchants Common Stock as determined in accordance with Sections 3.1 and 3.2 above (for all corporate purposes other than the payment of dividends) and cash for fractional shares, as applicable. No dividends or other distributions otherwise payable subsequent to the Effective Date on shares of

First Merchants Common Stock shall be paid to any shareholder entitled to receive the same until such shareholder has surrendered such shareholder's certificates for MBT Common Stock to the Exchange Agent in exchange for First Merchants Common Stock. Upon surrender or compliance with the provisions of Section 3.4(c), there shall be paid to the record holder of First Merchants Common Stock the amount of all dividends and other distributions, without interest thereon, withheld with respect to such common stock.

(e) From and after the Effective Date, there shall be no transfers on the stock transfer books of MBT of any shares of MBT Common Stock.

(f) Any portion of the Exchange Fund that remains unclaimed by the holders of MBT Common Stock for twelve (12) months after the Effective Date shall be paid, distributed, or otherwise released to First Merchants, or its successors in interest. Any shareholders of MBT who have not theretofore complied with this Section 3 shall thereafter look only to First Merchants, or its successors in interest, for the issuance of shares of First Merchants Common Stock and any unpaid dividends and distributions on First Merchants Common Stock deliverable in respect of each share of MBT Common Stock such shareholder holds as determined pursuant to this Agreement. Notwithstanding the foregoing, none of First Merchants, the Exchange Agent or any other person shall be liable to any former holder of shares of MBT Common Stock for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar laws.

(g) First Merchants shall be entitled to rely upon the stock transfer books of MBT to establish the persons entitled to receive shares of First Merchants Common Stock, which books, in the absence of actual knowledge by First Merchants of any adverse claim thereto, shall be conclusive with respect to the ownership of such stock.

(h) With respect to any certificate for MBT Common Stock which has been lost, stolen, or destroyed, First Merchants shall be authorized to issue First Merchants Common Stock to the registered owner of such certificate upon receipt of an affidavit of lost stock certificate, in form and substance reasonably satisfactory to First Merchants, and upon compliance by such registered owner with all procedures historically required by MBT in connection with lost, stolen, or destroyed certificates, with any costs incurred at the shareholder's expense.

3.5 Employee Equity Awards. Immediately prior to the Closing, each then outstanding stock appreciation right (SOSAR) and restricted stock unit (RSU), whether unvested or vested, shall be exchanged for shares of MBT Common Stock according to their respective award agreement terms. The number of RSU's subject to each award shall assume MBT performance at the full payout at the Target level for all relevant future periods. Upon issuance of the shares of MBT Common Stock to a holder of SOSARs or RSUs any award agreement between MBT and such holder and the holder's rights thereunder shall terminate and be of no further force or effect.

## SECTION 4

### NO DISSENTING SHAREHOLDERS

Holders of shares of MBT Common Stock, pursuant to the Michigan Business Corporation Act, MBT's articles of incorporation or bylaws, contract or otherwise, do not have, and the Board of Directors of MBT have not taken any action that would cause any holder of shares of MBT Common Stock to have, the right of a shareholder to dissent and obtain payment for shares under Section 450.1762 of the Michigan Business Corporation Act or any successor statute.

## SECTION 5

### REPRESENTATIONS AND WARRANTIES OF MBT

MBT hereby makes the representations and warranties set forth below to First Merchants with respect to itself and the Subsidiaries. For the purposes of this Section 5, "**MBT Disclosure Letter**" is defined as the letter referencing Section 5 of this Agreement which shall be prepared by MBT and delivered to First Merchants contemporaneously with the execution of this Agreement.

5.1 Organization and Authority. MBT, the Bank, and MB&T Financial are each a corporation duly organized and validly existing under the laws of the State of Michigan. MBT and each of the Subsidiaries have the corporate power and authority to conduct their respective businesses in the manner and by the means utilized as of the date hereof. MBT's only subsidiary is the Bank. The Bank's only subsidiary is MB&T Financial. The Bank is subject to primary federal regulatory supervision and regulation by the Federal Deposit Insurance Corporation ("**FDIC**"). Other than the Subsidiaries, MBT has no direct or indirect subsidiaries.

5.2 Authorization.

(a) MBT has the corporate power and authority to enter into this Agreement and to carry out its obligations hereunder, subject to satisfaction of the conditions precedent in Section 9. This Agreement, when executed and delivered by all parties, will have been duly authorized and will constitute a valid and binding obligation of MBT, subject to the conditions precedent set forth in Section 9 hereof, enforceable in accordance with its terms except to the extent limited by insolvency, reorganization, liquidation, readjustment of debt or other laws of general application relating to or affecting the enforcement of creditors' rights. The respective Boards of Directors of MBT and the Bank, and MBT as the sole shareholder of the Bank, have approved the Merger and the Bank Merger pursuant to the terms and conditions of this Agreement and the Bank Merger Agreement. The Board of Directors of MBT has adopted this Agreement and agreed to recommend to MBT's shareholders that they approve this Agreement and the transactions described herein subject to Section 7.5 hereof.

(b) Except as set forth in the MBT Disclosure Letter, neither the execution of this Agreement, nor the consummation of the transactions contemplated hereby, subject to the conditions precedent set forth in Section 9 hereof, does or will (i) conflict with, result in a breach of, or constitute a default under MBT's or any Subsidiary's organizational documents; (ii) conflict with, result in a breach of, or constitute a default under any federal, foreign, state or local law, statute, ordinance, rule, regulation or court or administrative order or decree, or any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement or commitment, to which MBT or any Subsidiary is subject or bound, the result of which would have a Material Adverse Effect; (iii) result in the creation of, or give any person, corporation or entity the right to create, any lien, charge, encumbrance, security interest, or any other rights of others or other adverse interest upon any right, property or asset of MBT or any Subsidiary; (iv) terminate, or give any person, corporation or entity the right to terminate, amend, abandon, or refuse to perform, any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement or commitment to which MBT or any Subsidiary is subject or bound, the result of which would have a Material Adverse Effect; or (v) accelerate or modify, or give any party thereto the right to accelerate or modify, the time within which, or the terms according to which, MBT or any Subsidiary is to perform any duties or obligations or receive any rights or benefits under any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement or commitment.

For the purpose of this Agreement, a "**Material Adverse Effect**" means any effect, circumstance, occurrence or change that (i) is material and adverse to the financial position, results of operations or business of MBT and the Subsidiaries taken as a whole, or First Merchants and FMB taken as a whole, as applicable or (ii) would materially impair the ability of MBT or First Merchants, as applicable, to perform its obligations under this Agreement; provided, however, that a Material Adverse Effect shall not be deemed to include the impact of (a) changes in banking and similar laws of general applicability to banks or their holding companies or interpretations thereof by courts or governmental authorities, (b) changes in generally accepted accounting principles ("**GAAP**") or regulatory accounting requirements applicable to banks or their holding companies generally, (c) any modifications or changes to valuation policies and practices in connection with the Merger or restructuring charges taken in connection with the Merger, in each case in accordance with GAAP, (d) effects of any action taken with the prior written consent of the other party hereto, (e) changes in the general level of interest rates (including the impact on the securities portfolios of MBT and the Bank, or First Merchants and FMB, as applicable) or conditions or circumstances relating to or that affect either the United States economy, financial or securities markets or the banking industry, generally, (f) changes resulting from expenses (such as legal, accounting and investment bankers' fees) incurred in connection with this Agreement or the transactions contemplated herein, including without limitation payment of any amounts due to, or the provision of any benefits to, any officers or employees under agreements, plans or other arrangements in existence on the date of or contemplated by this Agreement and disclosed to First Merchants, (g) the impact of the announcement of this Agreement and the transactions contemplated hereby, and compliance with this Agreement on the business, financial condition or results of operations of MBT and the Subsidiaries, or First Merchants and FMB, as applicable and (h) the occurrence of any military or terrorist attack within the United States or any of its possessions or offices; provided that in no event shall a change in the trading price of the First Merchants Common Stock, by itself, be considered to constitute a Material

Adverse Effect on First Merchants (it being understood that the foregoing proviso shall not prevent or otherwise affect a determination that any effect underlying such decline has resulted in a Material Adverse Effect).

(c) Other than required filings with NASDAQ and FINRA and the filing of articles of merger (the “**Articles of Merger**”) with the Indiana Secretary of State and a certificate of merger (the “**Certificate of Merger**”) with the Corporations Division of the Michigan Department of Licensing and Regulatory Affairs (the “**Michigan Corporations Division**”), for the Merger, and filing of articles of merger, certificates of merger or other filings necessary to consummate the Bank Merger, and such notices and filings made in connection or in compliance with the banking regulatory approvals contemplated by Section 9.4 and federal and state securities laws and the rules and regulations promulgated thereunder, no notice to, filing with, authorization of, exemption by, or consent or approval of, any public body or authority is necessary for the consummation by MBT of the transactions contemplated by this Agreement.

(d) Other than those filings, authorizations, consents and approvals referenced in Section 5.2(c) above and except as set forth in the MBT Disclosure Letter, no notice to, filing with, authorization of, exemption by, or consent or approval of, any third party is necessary for the consummation by MBT or the Bank of the transactions contemplated by this Agreement, except for such authorizations, exemptions, consents or approvals, the failure of which to obtain, would not be reasonably likely to result in a Material Adverse Effect.

### 5.3 Capitalization.

(a) As of the date of this Agreement, MBT has authorized Fifty-One Million (51,000,000) shares of capital stock, comprised of Fifty Million (50,000,000) authorized shares of MBT Common Stock without par value, 22,990,430 shares of which are issued and outstanding, and One Million (1,000,000) authorized shares of MBT nonvoting Preferred Stock, none of which are outstanding. All of the issued and outstanding shares of MBT Common Stock have been duly and validly authorized by all necessary corporate action of MBT, are validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights of any shareholders. MBT has no capital stock authorized, issued or outstanding other than as described in this Section 5.3(a) and, except as set forth in the MBT Disclosure Letter, MBT has no intention or obligation to authorize or issue additional shares of its capital stock.

(b) As of the date of this Agreement, the Bank has 10,000,000 shares of common stock, \$3.125 par value, authorized and outstanding, all of which are held beneficially and of record by MBT. Such issued and outstanding shares of Bank common stock have been duly and validly authorized by all necessary corporate action of the Bank, are validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive rights of any Bank shareholder. All of the issued and outstanding shares of Bank common stock are owned by MBT free and clear of all liens, pledges, charges, claims, encumbrances, restrictions, security interests, options and preemptive rights and of all other rights of any other person,

corporation or entity with respect thereto. The Bank has no capital stock authorized, issued or outstanding other than as described in this Section 5.3(b) and has no intention or obligation to authorize or issue any other shares of capital stock.

(c) As of the date of this Agreement, MB&T Financial has 60,000 shares of common stock, no par value per share, authorized and outstanding, all of which are held beneficially and of record by the Bank. Such issued and outstanding shares of MB&T Financial common stock have been duly and validly authorized by all necessary corporate action of MB&T Financial, are validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive rights of any MB&T Financial shareholder. All of the issued and outstanding shares of MB&T Financial common stock are owned by the Bank free and clear of all liens, pledges, charges, claims, encumbrances, restrictions, security interests, options and preemptive rights and of all other rights of any other person, corporation or entity with respect thereto. MB&T Financial has no capital stock authorized, issued or outstanding other than as described in this Section 5.3(c) and has no intention or obligation to authorize or issue any other shares of capital stock.

(d) Except as set forth on the MBT Disclosure Letter there are no options, commitments, calls, agreements, understandings, arrangements or subscription rights regarding the issuance, purchase or acquisition of capital stock, or any securities convertible into or representing the right to purchase or otherwise receive the capital stock, equity interests, or any debt securities, of MBT or any Subsidiary by which MBT or any Subsidiary is or may become bound. Neither MBT nor any Subsidiary has any outstanding contractual or other obligation to repurchase, redeem or otherwise acquire any of its respective outstanding shares of capital stock or equity interests, as applicable.

(e) Except as set forth in the MBT Disclosure Letter, to the knowledge of MBT's Management (as defined below), no person or entity beneficially owns five percent (5%) or more of MBT's outstanding common shares.

5.4 Organizational Documents. The respective Articles of Incorporation and Bylaws of MBT and the Subsidiaries have been delivered to First Merchants and represent true, accurate and complete copies of such corporate documents of MBT and the Subsidiaries in effect as of the date of this Agreement.

5.5 Compliance with Law. Except as disclosed on the MBT Disclosure Schedule, to the Knowledge of MBT's Management (as defined below), neither MBT nor any Subsidiary has engaged in any activity nor taken or omitted to take any action which has resulted or could reasonably be expected to result, in the violation of any local, state, federal or foreign law, statute, rule, regulation or ordinance or of any order, injunction, judgment or decree of any court or government agency or body, the violation of which could reasonably be expected to have a Material Adverse Effect on MBT. MBT and each Subsidiary possess all licenses, franchises, permits and other authorizations necessary for the continued conduct of their respective businesses without material interference or interruption, except where the failure to possess such licenses or other authorizations would not be reasonably expected to have a Material Adverse Effect on MBT, and such licenses, franchises, permits and authorizations shall be transferred to First Merchants on the Effective Date without any material restrictions or limitations thereon or the need to obtain any consents of third parties, except as otherwise

set forth in the MBT Disclosure Letter. Neither MBT nor any Subsidiary is subject to any agreement, commitment or understanding with, or order and directive of, any regulatory agency or government authority with respect to the business or operations of MBT or any Subsidiary. The Bank has not received any notice of enforcement actions since January 1, 2014 from any regulatory agency or government authority relating to its compliance with the Bank Secrecy Act, the Truth-in-Lending Act, the Community Reinvestment Act, the Gramm-Leach-Bliley Act of 1999, the USA Patriot Act, the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act or any laws with respect to the protection of the environment or the rules and regulations promulgated thereunder. MBT has not received any notice of enforcement actions since January 1, 2014, from any regulatory agency or government authority relating to its compliance with any securities laws applicable to MBT. The Bank received a rating of “satisfactory” or better in its most recent examination or interim review with respect to the Community Reinvestment Act.

5.6 Accuracy of Statements. No information which has been or shall be supplied by MBT with respect to its businesses, operations and financial condition for inclusion in the proxy statement, registration statement, or regulatory applications relating to the Merger or the Bank Merger contains or shall contain (in the case of information relating to the proxy statement at the time it is mailed and for the regulatory applications and registration statement, and each amendment or supplement thereto, if any, at the time it becomes effective) any untrue statement of a material fact or omits or shall omit to state a material fact necessary to make the statements contained therein not misleading.

5.7 Litigation and Pending Proceedings. Except as set forth in the MBT Disclosure Letter, there are no claims of any kind, nor any action, suits, proceedings, arbitrations or investigations pending or, to the knowledge of MBT’s Management, threatened in any court or before any government agency or body, arbitration panel or otherwise (nor does MBT’s Management have any knowledge of a basis for any claim, action, suit, proceeding, arbitration or investigation) which could reasonably be expected to have a Material Adverse Effect. To the knowledge of MBT’s Management, there are no uncured violations, criticisms or exceptions, or violations with respect to which refunds or restitutions may be required, cited in any report, correspondence or other communication to MBT or any Subsidiary as a result of an examination by any regulatory agency or body which could reasonably be expected to have a Material Adverse Effect.

5.8 Financial Statements.

(a) MBT’s consolidated audited balance sheets as of the end of the two (2) fiscal years ended December 31, 2017 and 2016, the unaudited consolidated balance sheet for the period ended June 30, 2018 and the related consolidated statements of income, shareholders’ equity and cash flows for the years or period then ended (hereinafter collectively referred to as the “**Financial Information**”) present fairly the consolidated financial condition or position of MBT as of the respective dates thereof and the consolidated results of operations of MBT for the respective periods covered thereby and have been prepared in conformity with GAAP applied on a consistent basis.

(b) All loans reflected in the Financial Information and which have been made, extended or acquired since June 30, 2018 (i) have been made for good, valuable and adequate consideration in the ordinary course of business; (ii) constitute the legal, valid and binding obligation of the obligor and any guarantor named therein; (iii) are evidenced by notes,

instruments or other evidences of indebtedness which are true, genuine and what they purport to be; and (iv) to the extent that the Bank has a security interest in collateral or a mortgage securing such loans, are secured by perfected security interests or mortgages naming the Bank as the secured party or mortgagee, except for such unperfected security interests or mortgages naming the Bank as secured party or mortgagee which, on an individual loan basis, would not materially adversely affect the value of any such loan and the recovery of payment on any such loan if the Bank is not able to enforce any such security interest or mortgage.

5.9 Absence of Certain Changes. Except for events and conditions relating to the business and interest rate environment in general, the accrual or payment of Merger-related expenses, or as set forth in the MBT Disclosure Letter, since June 30, 2018, no events have occurred which could reasonably be expected to have a Material Adverse Effect. Except as set forth in the MBT Disclosure Letter, between the period from June 30, 2018 to the date of this Agreement, MBT and each Subsidiary have carried on their respective businesses in the ordinary and usual course consistent with their past practices (excluding the incurrence of fees and expenses of professional advisors related to this Agreement and the transactions contemplated hereby) and there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to MBT's Common Stock (other than normal quarterly cash dividends) or any split, combination or reclassification of any stock of MBT or any Subsidiary or, with the exception of the issuance of shares in connection with the MBT Director Deferred Compensation Plan, , exercise of stock only stock appreciation rights, or the vesting of any performance stock units, any issuance or the authorization of any issuance of any securities in respect of, or in lieu of, or in substitution for MBT's or any Subsidiary's common shares or equity interests, as applicable.

5.10 Absence of Undisclosed Liabilities. Except as set forth in the MBT Disclosure Letter, neither MBT nor the Bank has any liabilities, whether accrued, absolute, contingent, or otherwise, existing or arising out of any transaction or state of facts existing on or prior to the date hereof, except (a) as and to the extent disclosed, reflected or reserved against in the Financial Information, (b) any agreement, contract, obligation, commitment, arrangement, liability, lease or license which individually is less than Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) per year and which may be terminated within one year from the date of this Agreement, (c) liabilities incurred since June 30, 2018 in the ordinary course of business consistent with past practice that either alone or when considered with all similar liabilities, have not had or would not reasonably be expected have a Material Adverse Effect on MBT, (d) liabilities incurred for reasonable legal, accounting, financial advising fees and out-of-pocket expenses or fees in connection with the transactions contemplated by this Agreement, and (e) unfunded loan commitments made in the ordinary course of the Bank's business consistent with past practices. Neither MBT nor the Subsidiaries have entered into any reinsurance or similar agreements in order to participate in a captive insurance pool or program.

5.11 Title to Assets.

(a) MBT and each Subsidiary have good and marketable title in fee simple absolute to all personal property reflected in the June 30, 2018 Financial Information, good and marketable title to all other properties and assets which MBT or any Subsidiary purports to own, good and marketable title to or right to use by terms of any lease or contract all other property used in MBT's or any Subsidiary's business, and good and marketable title to all property and assets acquired since June 30, 2018, free and clear of all mortgages, liens, pledges,



restrictions, security interests, charges, claims or encumbrances of any nature, except such minor imperfections of title, if any, as do not materially detract from the value of or interfere with the use of the property and which would not have a Material Adverse Effect.

(b) The operation by MBT or any Subsidiary of such properties and assets is in material compliance with all applicable laws, ordinances, rules and regulations of any governmental authority or third party having jurisdiction over such use except for such noncompliance that would not have a Material Adverse Effect.

#### 5.12 Loans and Investments.

(a) Except as set forth in the MBT Disclosure Letter, there is no loan of the Bank in excess of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) that, as of June 30, 2018, (i) has been classified by MBT, applying applicable regulatory examination standards, as “Other Loans Specially Mentioned,” “Substandard,” “Doubtful” or “Loss;” (ii) has been identified by accountants or auditors (internal or external) as having a significant risk of uncollectibility, or (iii) has been identified by MBT Management to be ninety (90) days or more past due with respect to principal or interest or has placed on nonaccrual status.

(b) The reserves for loan and lease losses and the carrying value for other real estate owned which are shown on each of the balance sheets contained in the Financial Information were adequate in the judgment of MBT’s Management and consistent with applicable bank regulatory standards and under GAAP to provide for losses, net of recoveries relating to loans and leases previously charged off, on loans and leases outstanding and other real estate owned (including accrued interest receivable) as of the applicable date of such balance sheet.

(c) Except as set forth in the MBT Disclosure Letter, none of the investments reflected in the Financial Information and none of the investments made by MBT or any Subsidiary since June 30, 2018 is subject to any restrictions, whether contractual or statutory, which materially impairs the ability of MBT or any Subsidiary to dispose freely of such investment at any time. Except as set forth in the MBT Disclosure Letter, neither MBT nor any Subsidiary is a party to any repurchase agreements with respect to securities.

#### 5.13 Employee Benefit Plans.

(a) The MBT Disclosure Letter contains a list identifying each “employee benefit plan,” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), which (i) is subject to any provision of ERISA, and (ii) is currently maintained, administered or contributed to by MBT, any Subsidiary or any other entity, trade or business that, together with MBT, would be treated as a single employer under the provisions of Sections 414(b), (c), (m) or (o) of the Code (“**MBT ERISA Affiliate**”), and covers any employee, director or former employee or director of MBT, any Subsidiary or any MBT ERISA Affiliate under which MBT or any MBT ERISA Affiliate has any liability. The MBT Disclosure Letter also contains a list of all “employee benefit plans” as defined under ERISA which have been terminated by MBT, any Subsidiary or any MBT ERISA Affiliate since January 1, 2013. Copies of such plans (and, if applicable, related trust agreements or insurance

contracts) and all amendments thereto and written interpretations thereof have been furnished to First Merchants together with the three (3) most recent annual reports (Form 5500) prepared in connection with any such plan and the current summary plan descriptions (and any summary of material modifications thereto). Such plans are hereinafter referred to individually as an “**Employee Plan**” and collectively as the “**Employee Plans**.” The Employee Plans which individually or collectively would constitute an “employee pension benefit plan” as defined in Section 3(2)(A) of ERISA are identified as such in the list referred to above.

(b) The Employee Plans have been operated in material compliance with all applicable laws, regulations, rulings and other requirements, as well as pursuant to the terms of their governing documents (to the extent consistent with ERISA).

(c) To the knowledge of MBT’s Management, no “prohibited transaction,” as defined in Section 406 of ERISA or Section 4975 of the Code, for which no statutory or administrative exemption exists, and no “reportable event,” as defined in Section 4043(c) of ERISA, for which a notice is required to be filed, has occurred with respect to any Employee Plan that could subject MBT to material taxes or penalties. Neither MBT, any Subsidiary nor any MBT ERISA Affiliate has any material liability to the Pension Benefit Guaranty Corporation (“**PBGC**”), to the Internal Revenue Service (“**IRS**”), to the Department of Labor (“**DOL**”), to the Employee Benefits Security Administration, with respect to any Employee Plan, except for routine premium payments to the PBGC.

(d) To the knowledge of MBT’s Management, no “fiduciary,” as defined in Section 3(21) of ERISA, of an Employee Plan has failed to comply with the requirements of Section 404 of ERISA in such a way as to cause material liability to MBT, any Subsidiary or any MBT ERISA Affiliate.

(e) Each of the Employee Plans which is intended to be qualified under Section 401(a) of the Code has been timely amended to comply in all material respects with the applicable requirements of the Code. Except as set forth in the MBT Disclosure Letter, MBT and/or any MBT ERISA Affiliate, as applicable, sought and received favorable determination letters from the IRS (or are otherwise relying on an opinion letter issued to a prototype plan sponsor) and has furnished to First Merchants copies of the most recent IRS determination letters with respect to any such Employee Plan that is intended to be qualified under Section 401(a) of the Code.

(f) Except as disclosed in the MBT Disclosure Letter, no Employee Plan has incurred an “accumulated funding deficiency,” as determined under Section 412 of the Code and Section 302 of ERISA. MBT has at all times met the minimum funding standard, and has made all contributions required, under Section 412 of the Code and Section 302 of ERISA. No facts or circumstances exist that may subject MBT, any Subsidiary, or any MBT ERISA Affiliate, to any liability under Sections 4062, 4063 or 4064 of ERISA. Neither MBT, any Subsidiary nor any MBT ERISA Affiliate ever has engaged in any transaction within the meaning of Section 4069 of ERISA. Except as disclosed in the MBT Disclosure Letter, there exist no facts or circumstances which could subject MBT, or any MBT ERISA Affiliate thereof, to withdrawal liability within the meaning of Section 4201 of ERISA or to contingent

withdrawal liability under Section 4204 of ERISA. Neither MBT nor any MBT ERISA Affiliate ever has been a party to a transaction within the meaning of Section 4212(c) of ERISA.

(g) No Employee Plan subject to Title IV of ERISA has been terminated or incurred a partial termination (either voluntarily or involuntarily), in such a way as to cause material additional liability to MBT, any Subsidiary or any MBT ERISA Affiliate.

(h) No claims involving an Employee Plan (other than normal benefit claims) have been filed in a court of law or, to the knowledge of MBT's Management, have been threatened to be filed in a court of law.

(i) Except as set forth in the MBT Disclosure Letter, there is no contract, agreement, plan or arrangement covering any employee, director or former employee or director of MBT or any Subsidiary that, individually or collectively, could give rise to the payment of any amount that would not be deductible by reason of Section 280G or Section 162(a)(1) of the Code.

(j) To the knowledge of MBT's Management, no event has occurred that would cause the imposition of the tax described in Section 4980B of the Code on MBT. To the knowledge of MBT's Management, MBT has materially complied with all requirements of Section 601 of ERISA, as applicable, with respect to any Employee Plan.

(k) The MBT Disclosure Letter contains a list of each employment, severance or other similar contract, arrangement or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or deferred compensation, profit sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (i) is not an Employee Plan, (ii) was entered into, maintained or contributed to, as the case may be, by MBT or any Subsidiary and (iii) covers any employee, director or former employee or director of MBT or any Subsidiary. Such contracts, plans and arrangements as are described above, copies or descriptions of all of which have been furnished previously to First Merchants, are hereinafter referred to collectively as the "**Benefit Arrangements.**" Each of the Benefit Arrangements has been maintained in compliance in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such Benefit Arrangements.

(l) Except as set forth in the MBT Disclosure Letter or as required by applicable law, neither MBT nor any MBT ERISA Affiliate has any present or future liability in respect of post-retirement health and medical benefits for former employees or directors of MBT, any Subsidiary or any MBT ERISA Affiliate.

(m) Except as set forth in the MBT Disclosure Letter, there has been no amendment to, written interpretation or announcement (whether or not written) by MBT, any Subsidiary or any MBT ERISA Affiliate relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement administered by MBT or any MBT ERISA

Affiliate which would increase materially the expense of maintaining such Employee Plans or Benefit Arrangements above the level of the expense incurred in respect thereof for the fiscal year ended December 31, 2017.

(n) Except as otherwise provided in the MBT Disclosure Letter, the transactions contemplated by the Agreement will not cause acceleration of vesting in, or payment of, any material benefits under any Employee Plan or Benefit Arrangement and will not otherwise materially accelerate or increase any obligation under any Employee Plan or Benefit Arrangement.

(o) With respect to any nonqualified deferred compensation plan that is subject to Section 409A of the Code, such plan has been identified on the MBT Disclosure Letter and, except as otherwise set forth in the MBT Disclosure Letter, has been operated in accordance with, and is in documentary compliance with Section 409A of the Code and the guidance issued thereunder.

5.14 Obligations to Employees. Except as set forth in the MBT Disclosure Letter, all accrued obligations and liabilities of MBT and any Subsidiary, whether arising by operation of law, by contract or by past custom, for payments to trust or other funds, to any government agency or body or to any individual director, officer, employee or agent (or his heirs, legatees or legal representative) with respect to unemployment compensation or social security benefits and all pension, retirement, savings, stock purchase, stock bonus, stock ownership, stock option, stock appreciation rights or profit sharing plan, any employment, deferred compensation, consultant, bonus or collective bargaining agreement or group insurance contract or other incentive, welfare or employee benefit plan or agreement maintained by MBT or any Subsidiary for their current or former directors, officers, employees and agents have been and are being paid to the extent required by law or by the plan or contract, and adequate actuarial accruals and/or reserves for such payments have been and are being made by MBT or any Subsidiary in accordance with generally accepted accounting and actuarial principles, except where the failure to pay any such accrued obligations or liabilities or to maintain adequate accruals and/or reserves for payment thereof would not have a Material Adverse Effect. Except as set forth in the MBT Disclosure Letter, all obligations and liabilities of MBT and the Subsidiaries, whether arising by operation of law, by contract, or by past custom, for all forms of compensation which are or may be payable to their current or former directors, officers, employees or agents have been and are being paid, and adequate accruals and/or reserves for payment therefore have been and are being made in accordance with GAAP, except where the failure to pay any such obligations and liabilities or to maintain adequate accruals and/or reserves for payment thereof would not have a Material Adverse Effect. All accruals and reserves referred to in this Section 5.14 are correctly and accurately reflected and accounted for in the books, statements and records of MBT and the Subsidiaries, except where the failure to correctly and accurately reflect and account for such accruals and reserves would not have a Material Adverse Effect.

5.15 Taxes, Returns and Reports. Except as set forth in the MBT Disclosure Letter, MBT and the Subsidiaries have (a) duly filed all federal, state, local and foreign tax returns of every type and kind required to be filed by them as of the date hereof, and each return is true, complete and accurate in all material respects; (b) paid all material taxes, assessments and other governmental charges due and payable or claimed to be due and payable upon them or any of their income, properties or assets; and (c) not requested an extension of time for any such payments (which extension is still in force). Except for taxes not yet due and payable, the reserve for taxes on the Financial Information is adequate to cover all of MBT's and the Subsidiaries' tax liabilities (including, without limitation, income taxes and franchise fees) that may become payable in future years with respect to any transactions consummated prior to June 30, 2018. Neither MBT nor the Bank has or will have, any liability for taxes of any nature for or with respect to the operation of their business, including the assets of any Subsidiary, from June 30, 2018, up to and including the Effective Date, except to the extent reflected on their Financial Information or on financial statements of MBT or the Subsidiaries subsequent to such date and as set forth in the MBT Disclosure Letter. Neither MBT nor any Subsidiary has received written notice that it is currently under audit by any state or federal taxing authority. Except as set forth in the MBT Disclosure Letter, none of the federal, state, or local tax returns of MBT or any Subsidiary have been audited by any taxing authority during the past five (5) years.<sup>3</sup>

5.16 Deposit Insurance. The deposits of the Bank are insured by the FDIC in accordance with the Federal Deposit Insurance Act, and the Bank has paid all premiums and assessments with respect to such deposit insurance.

5.17 Reports. Since January 1, 2015, MBT and the Bank have timely filed all reports, registrations and statements, together with any required amendments thereto, that MBT or any Subsidiary was required to file with (i) the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**"), (ii) the Michigan Department of Insurance and Financial Services (the "**Michigan DIFS**"), (iii) the FDIC, and (iv) any federal, state, municipal or local government, securities, banking, environmental, insurance and other governmental or regulatory authority, and the agencies and staffs thereof (collectively, the "**MBT Regulatory Authorities**"), having jurisdiction over the affairs of MBT or the Bank except where such failure would not have a Material Adverse Effect. All such reports filed by MBT and any Subsidiary complied in all material respects with all applicable rules and regulations promulgated by the applicable MBT Regulatory Authorities and were true, accurate and complete in all material respects and, to the extent required, were prepared in conformity with regulatory accounting principles applied on a consistent basis.

5.18 Absence of Defaults. Neither MBT nor any Subsidiary is in violation of its respective Articles of Incorporation or Bylaws or to the knowledge of MBT's Management in default under any material agreement, commitment, arrangement, loan, lease, insurance policy or other instrument, whether entered into in the ordinary course of business or otherwise and whether written or oral, and there has not occurred any event known to MBT's Management that, with the lapse of time or giving of notice or both, would constitute such a default, except for such violations or defaults which would not have a Material Adverse Effect.

5.19 Tax and Regulatory Matters. Neither MBT nor any Subsidiaries has taken or agreed to take any action or has any knowledge of any fact or circumstance that would (a) prevent the transactions contemplated hereby from qualifying as a reorganization within the meaning of Section 368 of the Code or (b) materially impede or delay receipt of any regulatory approval required for consummation of the transactions contemplated by this Agreement.

5.20 Real Property.

(a) A list of the locations of each parcel of real property owned by MBT or any Subsidiary (other than real property acquired in foreclosure or in lieu of foreclosure in the course of the collection of loans and being held by MBT or the Bank for disposition as required by law) is set forth in the MBT Disclosure Letter under the heading of "MBT Owned Real Property" (such real property being herein referred to as the "**MBT Owned Real Property**"). A list of the locations of each parcel of real property leased by MBT or any Subsidiary is also set forth in the MBT Disclosure Letter under the heading of "MBT Leased Real Property" (such real property being herein referred to as the "**MBT Leased Real Property**"). MBT shall update the MBT Disclosure Letter within ten (10) days after acquiring or leasing any real property after the date hereof. Collectively, the MBT Owned Real Property and the MBT Leased Real Property are herein referred to as the "**MBT Real Property.**"

(b) There is no pending action involving MBT or any Subsidiary as to the title of or the right to use any of the MBT Real Property.

(c) Other than the MBT Owned Real Property, neither MBT nor any Subsidiary has any interest in any other real property except interests as a mortgagee, and except for any real property acquired in foreclosure or in lieu of foreclosure and being held for disposition as required by law.

(d) None of the buildings, structures or other improvements located on the MBT Real Property encroaches upon or over any adjoining parcel of real estate or any easement or right-of-way or "setback" line and all such buildings, structures and improvements are located and constructed in conformity with all applicable zoning ordinances and building codes.

(e) None of the buildings, structures or improvements located on the MBT Real Property are the subject of any official complaint or notice by any governmental authority of violation of any applicable zoning ordinance or building code, and there is no zoning ordinance, building code, use or occupancy restriction or condemnation action or proceeding pending, or, to the best knowledge of MBT's Management, threatened, with respect to any such building, structure or improvement. The MBT Real Property is in good condition for its intended purpose, ordinary wear and tear excepted, and has been maintained (as to the MBT Leased Real Property, to the extent required to be maintained by MBT or the Bank) in accordance with reasonable and prudent business practices applicable to like facilities. The MBT Real Property has been used and operated in all material respects in compliance with all applicable laws, statutes, rules, regulations and ordinances applicable thereto.

(f) Except as may be reflected in the Financial Information, and except for liens for taxes not yet due and payable or with respect to such easements, liens, defects or encumbrances, real estate taxes and assessments or other monetary obligations such as contributions to an Owners' Association, as do not individually or in the aggregate materially adversely affect the use or value of the MBT Owned Real Property and which would not have a Material Adverse Effect, MBT and the Subsidiaries have, and at the Effective Date will have, good and marketable title to their respective MBT Owned Real Property, free and clear of all liens, mortgages, security interests, encumbrances and restrictions of any kind or character.

(g) Except as set forth in the MBT Disclosure Letter and to the knowledge of MBT's Management, MBT or any Subsidiary has not caused or allowed the generation, treatment, storage, disposal or release at any MBT Real Property of any Toxic Substance (as defined below), except in compliance with all applicable federal, state and local laws and regulations and except where such noncompliance would not reasonably be expected to have a Material Adverse Effect. "**Toxic Substance**" means any hazardous, toxic or dangerous substance, pollutant, waste, gas or material, including, without limitation, petroleum and petroleum products, metals, liquids, semi-solids or solids, that are regulated under any federal, state or local statute, ordinance, rule, regulation or other law pertaining to environmental protection, contamination, quality, waste management or cleanup.

(h) Except as disclosed in the MBT Disclosure Letter and to the knowledge of MBT's Management, there are no underground storage tanks located on, in or under any MBT Owned Real Property and no such MBT Owned Real Property has previously contained an underground storage tank. Except as set forth in the MBT Disclosure Letter and to the knowledge of MBT's Management, MBT or any Subsidiary do not own or operate any underground storage tank at any MBT Leased Real Property and no such MBT Leased Real Property has previously contained an underground storage tank. To the knowledge of MBT's Management, no MBT Real Property is or has been listed on the Comprehensive Environmental Response, Compensation, and Liability Information System ("CERCLIS").

(i) Except as set forth in the MBT Disclosure Letter and to the knowledge of MBT's Management, no Toxic Substance has been released, spilled, discharged or disposed at, in, on or under any MBT Real Property nor, to the knowledge of MBT's Management, are there any other conditions or circumstances affecting any MBT Real Property, in each case, which would reasonably be expected to have a Material Adverse Effect.

(j) To the knowledge of MBT's Management, there are no mechanic's or materialman's liens against the MBT Leased Real Property, and no unpaid claims for labor performed, materials furnished or services rendered in connection with constructing, improving or repairing the MBT Leased Real Property in respect of which liens may or could be filed against the MBT Leased Real Property.

5.21 Securities Law Compliance. MBT's common stock is traded on the NASDAQ Global Select Market under the symbol of "MBTF." MBT has complied in all material respects with all applicable state, federal or foreign securities laws, statutes, rules, regulations or orders, injunctions or decrees of any applicable government agency relating thereto. Since January 1, 2017, MBT has filed all reports and other documents required to be filed by it under the Securities and Exchange Act of 1934 (the "**1934 Act**") and the Securities Act of 1933 (the "**1933 Act**"), including MBT's Annual Report on Form 10-K for the year ended December 31, 2017, copies of which have previously been delivered to First Merchants. Since January 1, 2017, all such SEC filings were true, accurate and complete in all material respects as of the dates of the filings (except for information included therein as of a certain date, which shall have been true and correct as of such date), and no such filings, at the time they were filed, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, at the time and in the light of the circumstances under which they were made, not false or misleading.

5.22 Broker's or Finder's Fees. Except for Sandler O'Neill & Partners, L.P. and Donnelly Penman & Partners Inc., no agent, broker or other person acting on behalf of MBT or any Subsidiary or under any authority of MBT or any Subsidiary is or shall be entitled to any commission, broker's or finder's fee or any other form of compensation or payment from any of the parties hereto, other than attorneys' or accountants' fees, in connection with any of the transactions contemplated by this Agreement.

5.23 Shareholder Rights Plan. MBT does not have a shareholder rights plan or any other plan, program or agreement involving, restricting, prohibiting or discouraging a change in control or merger of MBT or the Bank or which may be considered an anti-takeover mechanism.

5.24 Indemnification Agreements. Except as set forth in the MBT Disclosure Letter, neither MBT nor any Subsidiary is a party to any indemnification, indemnity or reimbursement agreement, contract, commitment or understanding to indemnify any present or former director, officer, employee, shareholder or agent against any liability or hold the same harmless from liability other than as expressly provided in the Articles of Incorporation or Bylaws of MBT or the Subsidiaries.

5.25 Nonsurvival of Representations and Warranties. The representations and warranties contained in this Section 5 shall expire on the Effective Date or the earlier termination of this Agreement, and thereafter MBT and the Subsidiaries and all directors and officers of MBT and the Subsidiaries shall have no further liability with respect thereto.



## SECTION 6

### REPRESENTATIONS AND WARRANTIES OF FIRST MERCHANTS

First Merchants hereby makes the following representations and warranties set forth below to MBT. For the purposes of this Section, “**First Merchants Disclosure Letter**” is defined as a letter referencing Section 6 of this Agreement which shall be prepared by First Merchants and delivered to MBT contemporaneous with the execution of this Agreement.

6.1 Organization and Qualification. First Merchants is a corporation duly organized and validly existing under the laws of the State of Indiana and FMB is a commercial bank duly organized and validly existing under the laws of the State of Indiana. First Merchants and FMB have the power and authority (corporate or otherwise) to conduct their respective businesses in the manner and by the means utilized as of the date hereof. First Merchants’ only subsidiaries are FMB and the other entities listed on Exhibit 21 to First Merchants’ Annual Report on Form 10-K as of and for the period ending December 31, 2017 (each, a “**First Merchants Subsidiary**”, and collectively, the “**First Merchants Subsidiaries**”). FMB is subject to primary federal regulatory supervision and regulation by the FDIC.

#### 6.2 Authorization.

(a) First Merchants and FMB have the corporate power and authority to enter into this Agreement and to carry out their obligations hereunder subject to the conditions precedent set forth in Section 9. The Agreement, when executed and delivered, will have been duly authorized and will constitute a valid and binding obligation of First Merchants and FMB, subject to the conditions precedent set forth in Section 9 hereof, enforceable in accordance with its terms, except to the extent limited by insolvency, reorganization, liquidation, readjustment of debt, or other laws of general application relating to or affecting the enforcement of creditor’s rights. The Board of Directors of First Merchants and FMB have approved the Merger pursuant to the terms and conditions of this Agreement.

(b) Except as set forth in the First Merchants Disclosure Letter, neither the execution of this Agreement, nor the consummation of the transactions contemplated hereby, subject to the conditions precedent set forth in Section 9 hereof does or will (i) conflict with, result in a breach of, or constitute a default under either First Merchants’ or FMB’s Articles of Incorporation or By-Laws; (ii) conflict with, result in a breach of, or constitute a default under any federal, foreign, state, or local law, statute, ordinance, rule, regulation, or court or administrative order or decree, or any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement, or commitment, to which either First Merchants or FMB is subject or bound, the result of which would have a Material Adverse Effect; (iii) result in the creation of, or give any person, corporation or entity the right to create, any lien, charge, claim, encumbrance, security interest, or any other rights of others or other adverse interest upon any right, property or asset of either First Merchants or FMB; (iv) terminate, or give any person, corporation or entity the right to terminate, amend, abandon, or refuse to perform, any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement, or commitment to which First Merchants or FMB is a party or by which either First Merchants

or FMB is subject or bound, the result of which would have a Material Adverse Effect on First Merchants; or (v) accelerate or modify, or give any party thereto the right to accelerate or modify, the time within which, or the terms according to which, either First Merchants or FMB is to perform any duties or obligations or receive any rights or benefits under any note, bond, indenture, loan, mortgage, security agreement, contract, arrangement, or commitment.

(c) Other than in connection or in compliance with the provisions of the Bank Holding Company Act of 1956, the Bank Merger Act, federal and state securities laws, and applicable federal and Indiana banking statutes and Indiana corporate statutes, all as amended, and the rules and regulations promulgated thereunder, no notice to, filing with, authorization of, exemption by, or consent or approval of, any public body or authority is necessary for the consummation by First Merchants and FMB of the transactions contemplated by this Agreement.

(d) Except as set forth in the First Merchants Disclosure Letter, other than those filings, authorizations, consents and approvals referenced in Section 6.2(c) above and filings and approvals relating to the listing of the shares of First Merchants Common Stock to be issued in the Merger on the NASDAQ Global Select Market and certain other filings and approvals with NASDAQ relating to the change in the number of shares of First Merchants outstanding as a result of the Merger, no notice to, filing with, authorization of, exemption by, or consent or approval of, any third party is necessary for the consummation by First Merchants or FMB of the transactions contemplated by this Agreement, except for such authorizations, exemptions, consents or approvals, the failure of which to obtain, would not be reasonably likely to result in a Material Adverse Effect.

### 6.3 Capitalization.

(a) As of July 31, 2018, First Merchants had One Hundred Million (100,000,000) shares of First Merchants Common Stock authorized, without par value, \$0.125 stated value, of which 49,560,536 shares were issued and outstanding. Such issued and outstanding shares of First Merchants Common Stock have been duly and validly authorized by all necessary corporate action of First Merchants, are validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights of any shareholders.

(b) First Merchants has authorized 500,000 shares of preferred stock, without par value (“**First Merchants Preferred Stock**”). First Merchants has designated 116,000 of those shares of First Merchants Preferred Stock as Fixed Rate Cumulative Perpetual Preferred Stock, Series A authorized, \$1,000 per share liquidation amount, no shares of which are issued and outstanding. First Merchants also has designated 90,823.23 shares of the First Merchants Preferred Stock as Senior Non-Cumulative Perpetual Preferred Stock, Series B authorized, \$1,000 per share liquidation amount, no shares of which are currently outstanding.

(c) The shares of First Merchants Common Stock to be issued pursuant to the Merger will be duly authorized, fully paid, validly issued and nonassessable and subject to no preemptive rights.

6.4 Organizational Documents. The Articles of Incorporation and By-Laws of First Merchants in force as of the date hereof have been delivered to MBT. The documents delivered by it represent true, accurate and complete copies of the corporate documents of First Merchants in effect as of the date of this Agreement.

6.5 Compliance with Law. To the knowledge of “First Merchants’ Management” (as defined below), except as set forth in the First Merchants Disclosure Letter, neither First Merchants nor any First Merchants Subsidiary has engaged in any activity nor taken or omitted to take any action which has resulted or could reasonably be expected to result, in the violation of any local, state, federal or foreign law, statute, rule, regulation or ordinance or of any order, injunction, judgment or decree of any court or government agency or body, the violation of which could reasonably be expected to have a Material Adverse Effect. Except as set forth in the First Merchants Disclosure Letter, First Merchants and each First Merchants Subsidiary possess all licenses, franchises, permits and other authorizations necessary for the continued conduct of their respective businesses without material interference or interruption. Neither First Merchants nor any First Merchants Subsidiary are subject to any agreement, commitment or understanding with, or order and directive of, any regulatory agency or government authority with respect to the business or operations of First Merchants or FMB. Except as set forth in the First Merchants Disclosure Letter, FMB has not received any notice of enforcement actions since January 1, 2014 from any regulatory agency or government authority relating to its compliance with the Bank Secrecy Act, the Truth-in-Lending Act, the Community Reinvestment Act, the Gramm-Leach-Bliley Act of 1999, the USA Patriot Act, the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act or any laws with respect to the protection of the environment or the rules and regulations promulgated thereunder. Except as set forth in the First Merchants Disclosure Letter, First Merchants has not received any notice of enforcement actions since January 1, 2015 from any regulatory agency or government authority relating to its compliance with any securities, tax or employment laws applicable to First Merchants. FMB received a rating of “satisfactory” or better in its most recent examination or interim review with respect to the Community Reinvestment Act.

6.6 Accuracy of Statements. No information which has been or shall be supplied by First Merchants nor any First Merchants Subsidiary with respect to its respective businesses, operations and financial condition for inclusion in the proxy statement, registration statement, and regulatory applications relating to the Merger or the Bank Merger contains or shall contain (in the case of information relating to the proxy statement at the time it is mailed and for the regulatory applications and registration statement, and each amendment or supplement thereto, if any, at the time it becomes effective) any untrue statement of a material fact or omits or shall omit to state a material fact necessary to make the statements contained therein not misleading.

6.7 Litigation and Pending Proceedings. Except as set forth in the First Merchants Disclosure Letter, there are no claims of any kind, nor any action, suits, proceedings, arbitrations or investigations pending or to the knowledge of First Merchants’ Management threatened in any court or before any government agency or body, arbitration panel or otherwise (nor does First Merchants’ Management have any knowledge of a basis for any claim, action, suit, proceeding, arbitration or investigation) which could be reasonably expected to have a Material Adverse Effect. To the knowledge of First Merchants’ Management, there are no material uncured violations, criticisms or exceptions, or violations with respect to which material refunds or restitutions may be required, cited

in any report, correspondence or other communication to First Merchants as a result of an examination by any regulatory agency or body.

#### 6.8 Financial Statements.

(a) First Merchants' consolidated audited balance sheets as of the end of the two (2) fiscal years ended December 31, 2017 and 2016, the unaudited consolidated balance sheet for the period ended June 30, 2018 and the related consolidated statements of income, shareholders' equity and cash flows for the years or period then ended (hereinafter collectively referred to as the "**First Merchants Financial Information**") present fairly the consolidated financial condition or position of First Merchants as of the respective dates thereof and the consolidated results of operations of First Merchants for the respective periods covered thereby and have been prepared in conformity with GAAP applied on a consistent basis.

(b) All loans reflected in the First Merchants Financial Information and which have been made, extended or acquired since June 30, 2018 (i) have been made for good, valuable and adequate consideration in the ordinary course of business; (ii) constitute the legal, valid and binding obligation of the obligor and any guarantor named therein; (iii) are evidenced by notes, instruments or other evidences of indebtedness which are true, genuine and what they purport to be; and (iv) to the extent that FMB has a security interest in collateral or a mortgage securing such loans, are secured by perfected security interests or mortgages naming FMB as the secured party or mortgagee, except for such unperfected security interests or mortgages naming FMB as secured party or mortgagee which, on an individual loan basis, would not materially adversely affect the value of any such loan and the recovery of payment on any such loan if FMB is not able to enforce any such security interest or mortgage.

6.9 Absence of Certain Changes. Except for events and conditions relating to the business and interest rate environment in general, the accrual or payment of Merger-related expenses, or as set forth in the First Merchants Disclosure Letter, since June 30, 2018, no events have occurred which could reasonably be expected to have a Material Adverse Effect. Except as set forth in the First Merchants Disclosure Letter, between the period from June 30, 2018 to the date of this Agreement, First Merchants and each First Merchants Subsidiary have carried on their respective businesses in the ordinary and usual course consistent with their past practices (excluding the incurrence of reasonable fees and expenses of professional advisors related to this Agreement and the transactions contemplated hereby). Since June 30, 2018, there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to First Merchants' Common Stock (other than normal quarterly cash dividends) or any split, combination or reclassification of any stock of First Merchants or any First Merchants Subsidiary or any issuance or the authorization of any issuance of any securities in respect of, or in lieu of, or in substitution for First Merchants' Common Stock.

6.10 Absence of Undisclosed Liabilities. Except as set forth in the First Merchants Disclosure Letter, neither First Merchants nor any First Merchants Subsidiary has any liabilities, whether accrued, absolute, contingent, or otherwise, existing or arising out of any transaction or state of facts existing on or prior to the date hereof, except (a) as and to the extent disclosed, reflected or reserved against in the First Merchants Financial Information, (b) any agreement, contract, obligation, commitment, arrangement, liability, lease or license which individually is less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) per year and which may be terminated within one year

from the date of this Agreement, and (c) unfunded loan commitments made in the ordinary course of MBT's business consistent with past practices.

#### 6.11 Employee Benefit Plans.

(a) The First Merchants Disclosure Letter contains a list identifying each "employee benefit plan," as defined in Section 3(3) of ERISA, which (i) is subject to any provision of ERISA, and (ii) is currently maintained, administered or contributed to by First Merchants or any entity, trade or business that, together with First Merchants, would be treated as a single employer under the provisions of Sections 414(b), (c), (m) or (o) of the Code ("**First Merchants ERISA Affiliate**"), and covers any employee, director or former employee or director of First Merchants or any First Merchants ERISA Affiliate under which First Merchants or any First Merchants ERISA Affiliate has any liability. The First Merchants Disclosure Letter also contains a list of all "employee benefit plans" as defined under ERISA which have been terminated by First Merchants or any First Merchants ERISA Affiliate since January 1, 2013. Copies of such plans (and, if applicable, related trust agreements or insurance contracts) and all amendments thereto and written interpretations thereof have been furnished to MBT together with the three (3) most recent annual reports (Form 5500) prepared in connection with any such plan and the current summary plan descriptions (and any summary of material modifications thereto). Such plans are hereinafter referred to individually as a "**First Merchants Employee Plan**" and collectively as the "**First Merchants Employee Plans.**" The First Merchants Employee Plans which individually or collectively would constitute an "employee pension benefit plan" as defined in Section 3(2)(A) of ERISA are identified as such in the list referred to above.

(b) The First Merchants Employee Plans have been operated in material compliance with all applicable laws, regulations, rulings and other requirements, as well as pursuant to the terms of their governing documents (to the extent consistent with ERISA).

(c) Except as set forth in the First Merchants Disclosure letter, to the knowledge of First Merchants' Management, no "prohibited transaction," as defined in Section 406 of ERISA or Section 4975 of the Code, for which no statutory or administrative exemption exists, and no "reportable event," as defined in Section 4043(c) of ERISA, for which a notice is required to be filed, has occurred with respect to any First Merchants Employee Plan that could subject First Merchants to material taxes or penalties. Neither First Merchants nor any First Merchants ERISA Affiliate has any material liability to the PBGC, to the IRS, to the DOL, to the Employee Benefits Security Administration, with respect to any First Merchants Employee Plan, except for routine premium payments to the PBGC.

(d) To the knowledge of First Merchants' Management, no "fiduciary," as defined in Section 3(21) of ERISA, of a First Merchants Employee Plan has failed to comply with the requirements of Section 404 of ERISA in such a way as to cause material liability to First Merchants or any First Merchants ERISA Affiliate.

(e) Each of the First Merchants Employee Plans which is intended to be qualified under Section 401(a) of the Code has been timely amended to comply in all material respects with the applicable requirements of the Code. Except as set forth in the First Merchants Disclosure Letter, First Merchants and/or any First Merchants ERISA Affiliate, as applicable, sought and received favorable determination letters from the IRS and has furnished to MBT copies of the most recent IRS determination letters with respect to any such Employee Plan that is intended to be qualified under Section 401(a) of the Code.

(f) No First Merchants Employee Plan has incurred an “accumulated funding deficiency,” as determined under Section 412 of the Code and Section 302 of ERISA. First Merchants has at all times met the minimum funding standard, and has made all contributions required, under Section 412 of the Code and Section 302 of ERISA. No facts or circumstances exist that may subject First Merchants, or any First Merchants ERISA Affiliate, to any liability under Sections 4062, 4063 or 4064 of ERISA. Neither First Merchants nor any First Merchants ERISA Affiliate ever has engaged in any transaction within the meaning of Section 4069 of ERISA. Except as disclosed in the First Merchants Disclosure Letter, there exist no facts or circumstances which could subject First Merchants, or any First Merchants ERISA Affiliate thereof, to withdrawal liability within the meaning of Section 4201 of ERISA or to contingent withdrawal liability under Section 4204 of ERISA. Neither First Merchants nor any First Merchants ERISA Affiliate ever has been a party to a transaction within the meaning of Section 4212(c) of ERISA.

(g) No First Merchants Employee Plan subject to Title IV of ERISA has been terminated or incurred a partial termination (either voluntarily or involuntarily), in such a way as to cause material additional liability to First Merchants or any First Merchants ERISA Affiliate.

(h) No claims involving a First Merchants Employee Plan (other than normal benefit claims) have been filed in a court of law or, to the knowledge of First Merchants’ Management, have been threatened to be filed in a court of law.

(i) There is no contract, agreement, plan or arrangement covering any employee, director or former employee or director of First Merchants or any Subsidiary that, individually or collectively, could give rise to the payment of any amount that would not be deductible by reason of Section 280G or Section 162(a)(1) of the Code.

(j) To the knowledge of First Merchants’ Management, no event has occurred that would cause the imposition of the tax described in Section 4980B of the Code on First Merchants or any First Merchants ERISA Affiliate. To the knowledge of First Merchants’ Management, First Merchants has materially complied with all requirements of Section 601 of ERISA, as applicable, with respect to any First Merchants Employee Plan.

(k) The First Merchants Disclosure Letter contains a list of each employment, severance or other similar contract, arrangement or policy and each plan or arrangement (written or oral) providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or deferred compensation, profit sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (i) is not a First Merchants Employee Plan, (ii) was entered into, maintained or contributed to, as the case may be, by First Merchants or any First Merchants Subsidiary and (iii) covers any employee, director or former employee or director of First Merchants or any First Merchants Subsidiary. Such contracts, plans and arrangements as are described above, copies or descriptions of all of which have been furnished previously to First Merchants, are hereinafter referred to collectively as the "**First Merchants Benefit Arrangements.**" Each of the First Merchants Benefit Arrangements has been maintained in compliance in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such First Merchants Benefit Arrangements.

(l) Except as set forth in the First Merchants Disclosure Letter, neither First Merchants nor any First Merchants ERISA Affiliate has any present or future liability in respect of post-retirement health and medical benefits for former employees or directors of First Merchants or any First Merchants ERISA Affiliate.

(m) Except as set forth in the First Merchants Disclosure Letter, there has been no amendment to, written interpretation or announcement (whether or not written) by First Merchants or any First Merchants ERISA Affiliate relating to, or change in employee participation or coverage under, any First Merchants Employee Plan or Benefit Arrangement administered by First Merchants or any First Merchants ERISA Affiliate which would increase materially the expense of maintaining such First Merchants Employee Plans or First Merchants Benefit Arrangements above the level of the expense incurred in respect thereof for the fiscal year ended December 31, 2017.

(n) Except as otherwise provided in the First Merchants Disclosure Letter, the transactions contemplated by the Agreement will not cause acceleration of vesting in, or payment of, any material benefits under any First Merchants Employee Plan or Benefit Arrangement and will not otherwise materially accelerate or increase any obligation under any First Merchants Employee Plan or Benefit Arrangement.

(o) With respect to any nonqualified deferred compensation plan that is subject to Section 409A of the Code, such plan has been identified on the First Merchants Disclosure Letter and has been operated in accordance with, and is in documentary compliance with, Section 409A of the Code and the guidance issued thereunder.

6.12 Taxes, Returns and Reports. First Merchants and FMB have (a) duly filed all federal, state, local and foreign tax returns of every type and kind required to be filed by them as of the date hereof, and each return is true, complete and accurate in all material respects; (b) paid all material taxes, assessments and other governmental charges due and payable or claimed to be due and payable upon them or any of their income, properties or assets; and (c) not requested an extension of time for any such payments (which extension is still in force). Except for taxes not yet due and payable, the reserve for taxes on the First Merchants Financial Information is adequate to cover all of First Merchants' and FMB's tax liabilities (including, without limitation, income taxes and franchise fees) that may become payable in future years with respect to any transactions consummated prior to June 30, 2018. Neither First Merchants nor FMB has or will have, any liability for taxes of any nature for or with respect to the operation of their business, including the assets of any subsidiary, from June 30, 2018, up to and including the Effective Date, except to the extent reflected on the First Merchants Financial Information or on financial statements of First Merchants or any subsidiary subsequent to such date and as set forth in the First Merchants Disclosure Letter. Neither First Merchants nor FMB has received written notice that it is currently under audit by any state or federal taxing authority. Except as set forth in the First Merchants Disclosure Letter, none of the federal, state, or local tax returns of First Merchants or FMB have been audited by any taxing authority during the past five (5) years.

6.13 Deposit Insurance. The deposits of FMB are insured by the FDIC in accordance with the Federal Deposit Insurance Act, and FMB has paid all premiums and assessments with respect to such deposit insurance.

6.14 Reports. Since January 1, 2015, First Merchants and the First Merchants Subsidiaries have timely filed all reports, registrations and statements, together with any required amendments thereto, that they were required to file with (i) the Board of Governors of the Federal Reserve System, (ii) the Office of the Comptroller of the Currency, (iii) the FDIC, (iv) the Indiana Department of Financial Institutions, and (v) any federal, state, municipal or local government, securities, banking, environmental, insurance and other governmental or regulatory authority, and the agencies and staffs thereof (collectively, the "**FMC Regulatory Authorities**"), except where such failure would not have a Material Adverse Effect. All such reports filed by First Merchants and the First Merchants Subsidiaries complied in all material respects with all applicable rules and regulations promulgated by the applicable FMC Regulatory Authorities and were true, accurate and complete in all material respects and, to the extent required, were prepared in conformity with GAAP applied on a consistent basis. There is no unresolved violation with respect to any report or statement filed by, or any examination of First Merchants or FMB.

6.15 Absence of Defaults. Neither First Merchants nor FMB is in violation of its Articles of Incorporation or By-Laws or, to the knowledge of First Merchants' Management, in default under any material agreement, commitment, arrangement, loan, lease, insurance policy or other instrument, whether entered into in the ordinary course of business or otherwise and whether written or oral, and there has not occurred any event known to First Merchants' Management that, with the lapse of time or giving of notice or both, would constitute such a default, except for defaults which would not have a Material Adverse Effect.



6.16 Tax and Regulatory Matters. Neither First Merchants nor any First Merchants Subsidiary has taken or agreed to take any action or has any knowledge of any fact or circumstance that would (a) prevent the transactions contemplated hereby from qualifying as a reorganization within the meaning of Section 368 of the Code or (b) materially impede or delay receipt of any regulatory approval required for consummation of the transactions contemplated by this Agreement.

6.17 Securities Law Compliance. First Merchants' common stock is traded on the NASDAQ Global Select Market under the symbol of "FRME." First Merchants has complied in all material respects with all applicable state, federal or foreign securities laws, statutes, rules, regulations or orders, injunctions or decrees of any applicable government agency relating thereto. Since January 1, 2017, First Merchants has filed all reports and other documents required to be filed by it under the 1934 Act and the 1933 Act, including First Merchants' Annual Report on Form 10-K for the year ended December 31, 2017, copies of which have previously been delivered to MBT. Since January 1, 2017, all such SEC filings were true, accurate and complete in all material respects as of the dates of the filings (except for information included therein as of a certain date, which shall have been true and correct as of such date), and no such filings, at the time they were filed, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, at the time and in the light of the circumstances under which they were made, not false or misleading.

6.18 Broker's or Finder's Fees. Except for Keefe, Bruyette & Woods, no agent, broker or other person acting on behalf of First Merchants or under any authority of First Merchants is or shall be entitled to any commission, broker's or finder's fee or any other form of compensation or payment from any of the parties hereto, other than attorneys' or accountants' fees, in connection with any of the transactions contemplated by this Agreement.

6.19 Indemnification Agreements. Except as set forth in the First Merchants Disclosure Letter, neither First Merchants nor any First Merchants Subsidiary is a party to any indemnification, indemnity or reimbursement agreement, contract, commitment or understanding to indemnify any present or former director, officer, employee, shareholder or agent against any liability or hold the same harmless from liability other than as expressly provided in the Articles of Incorporation or By-Laws of First Merchants and the First Merchants Subsidiaries.

6.20 Nonsurvival of Representations and Warranties. The representations and warranties contained in this Section 6 shall expire on the Effective Date or the earlier termination of this Agreement, and thereafter First Merchants and the First Merchants Subsidiaries and all directors and officers of First Merchants and the First Merchants Subsidiaries shall have no further liability with respect thereto.

## SECTION 7

### COVENANTS OF MBT

MBT covenants and agrees with First Merchants and covenants and agrees to cause the Bank to act, as follows:

#### 7.1 Shareholder Approval.

(a) Following the execution of this Agreement, MBT shall take, in accordance with applicable law and its Articles of Incorporation and Bylaws, all action necessary to convene a meeting of its shareholders as promptly as practicable (and in any event within forty-five (45) days following the time when the Registration Statement becomes effective, subject to extension with the consent of First Merchants, which shall not unreasonably be withheld, conditioned or delayed) to consider and vote upon the approval of this Agreement and the transactions contemplated hereby (including the Merger) and any other matter required to be approved by the shareholders of MBT in order to consummate the Merger and the transactions contemplated hereby (including any adjournment or postponement thereof, the “**Shareholder Meeting**”).

(b) Subject to Section 7.5 hereof, MBT shall cooperate with First Merchants in the preparation of an appropriate proxy statement and other proxy solicitation materials (the “**Proxy Statement**”) and use its reasonable best efforts to obtain the requisite vote of MBT’s shareholders to approve this Agreement and to consummate the Merger and the other transactions contemplated hereby, and shall ensure that the Shareholder Meeting is called, noticed, convened, held and conducted, and that all proxies solicited by MBT in connection with the Shareholder Meeting are solicited in compliance with the Michigan Business Corporation Act, the Articles of Incorporation and Bylaws of MBT, and all other applicable legal requirements. MBT shall keep First Merchants updated with respect to the proxy solicitation results in connection with the Shareholder Meeting as reasonably requested by First Merchants.

(c) Subject to Section 7.5 hereof, MBT’s Board of Directors shall recommend that MBT’s shareholders vote to approve this Agreement and the transactions contemplated hereby (including the Merger) and any other matters required to be approved by MBT’s shareholders for consummation of the Merger and the transactions contemplated hereby.

7.2 Other Approvals. As soon as reasonably practicable following the date hereof, MBT and the Bank shall use their reasonable best efforts to procure upon reasonable terms and conditions any consents, authorizations, approvals, registrations, and certificates from any applicable MBT Regulatory Authorities as may be required by applicable law, and to satisfy all other requirements prescribed by law which are necessary for consummation of the Merger and the Bank Merger on the terms and conditions provided in this Agreement.

### 7.3 Conduct of Business.

(a) Except as otherwise set forth on the MBT Disclosure Letter, on and after the date of this Agreement and until the Effective Date or until this Agreement shall be terminated as herein provided, neither MBT nor any Subsidiary shall, without the prior written consent (which may include consent via electronic mail) of First Merchants, (i) make any changes in their capital structure, including, but not limited to the redemption of shares of common stock; (ii) authorize an additional class of stock or issue, or authorize the issuance of any capital stock or any options or other instruments convertible into shares of capital stock, except pursuant to the Director Deferred Compensation Plan, or the exercise of, SOSARs and RSUs outstanding as of the date of this Agreement; (iii) declare, distribute or pay any dividends on their common shares, or authorize a stock split, or make any other distribution to their shareholders, except for MBT's quarterly cash dividend in an amount not to exceed \$0.10 per share; provided, however, MBT and First Merchants shall coordinate MBT's dividend schedule for the quarter in which Closing occurs so that holder of MBT Common Stock does not receive dividends on both First Merchants and MBT common stock attributable to the same calendar quarter; (iv) merge, combine or consolidate with or, other than in the ordinary course of business consistent with past practice (including the sale, transfer or disposal of other real estate owned), sell their assets or any of their securities to any other person, corporation or entity, effect a share exchange or enter into any other transaction not in the ordinary course of business; (v) incur any new liability or obligation, make any new commitment, payment or disbursement, enter into any new contract, agreement, understanding or arrangement or engage in any new transaction, or acquire or dispose of any property, other than other real estate owned, or asset the fair market value of which exceeds One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00), in the aggregate, except for payments or disbursements made in the ordinary course of business consistent with past practice, the acquisition or disposition of personal or real property in connection with either foreclosures on mortgages or enforcement of security interests, the origination or sale of loans by the Bank in the ordinary course of business and the creation of deposit liabilities and advances from the Federal Home Loan Bank in each case in the ordinary course of business consistent with past practice; (vi) subject any of their properties or assets to a mortgage, lien, claim, charge, option, restriction, security interest or encumbrance, except for such mortgages, liens or other encumbrances incurred in the ordinary course of business consistent with past practice; (vii) promote or increase or decrease the rate of compensation (except for promotions and non-material increases in the ordinary course of business and in accordance with past practices) or enter into any agreement to promote or increase or decrease the rate of compensation of any director, officer or employee of MBT or the Bank; (viii) except as set forth in the MBT Disclosure Letter, as specifically authorized by this Agreement or as required by applicable law, execute, create, institute, modify or amend any pension, retirement, savings, stock purchase, stock bonus, stock ownership, stock option, stock appreciation or depreciation right or profit sharing plans, any employment, deferred compensation, consultant, bonus or collective bargaining agreement, group insurance contract or other incentive, welfare or employee benefit plan or agreement for current or former directors, officers or employees of MBT or any Subsidiary, change the level of benefits or payments under any of the foregoing or increase or decrease any severance or termination pay benefits or any other fringe or employee benefits or pay any bonuses other than as required by law or regulatory authorities; (ix) amend their respective Articles of Incorporation or Bylaws from those in effect on the

date of this Agreement; (x) except as set forth in the MBT Disclosure Letter or as specifically authorized by this Agreement, modify, amend or institute new employment policies or practices, or enter into, renew, modify, amend or extend any employment or severance agreements with respect to any present or former directors, officers or employees of MBT or any Subsidiary; (xi) give, dispose, sell, convey, assign, hypothecate, pledge, encumber or otherwise transfer or grant a security interest in any capital stock of any Subsidiary; (xii) fail to make additions to the Bank's reserve for loan losses, or any other reserve account, in the ordinary course of business and in accordance with sound banking practices; (xiii) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible or liable for the obligations of any other individual, corporation or other entity; and (xiv) agree in writing or otherwise to take any of the foregoing actions. The prior consent of First Merchants for the items listed above may be withheld, conditioned or delayed in its sole discretion.

(b) MBT and the Subsidiaries shall maintain, or cause to be maintained, in full force and effect insurance on its properties and operations and fidelity coverage on its directors, officers and employees in such amounts and with regard to such liabilities and hazards as customarily are maintained by other companies operating similar businesses.

(c) MBT shall provide and shall cause the Subsidiaries to provide First Merchants and its representatives full access, during normal business hours and on reasonable advance notice to MBT, to further information (to the extent permissible under applicable law) and the Subsidiaries' premises for purposes of (i) observing the Subsidiaries' business activities and operations and to consult with MBT's officers and employees regarding the same on an ongoing basis to verify compliance by MBT with all terms of this Agreement, and (ii) making all necessary preparations for conversion of the Bank's information technology systems, including, but not limited to, installation of a hardware or software device(s) within the Bank's network to perform system penetration testing or assess previous security breaches. First Merchants may hire, at its expense, a mutually-agreeable third party consultant to perform cybersecurity system testing and monitoring (based on a mutually-agreeable project scope) in order to confirm that the Bank's technology systems are free of security breaches and, if necessary, provide remediation and notices related thereto. MBT and First Merchants shall each receive the results of the testing and reasonably coordinate their efforts on any potential remediation and notices. None of the foregoing actions shall unduly interfere with the business operations of MBT or the Subsidiaries nor shall such actions be permitted if such access relates to, (i) pending or threatened litigation or investigations if, in the opinion of counsel to MBT, such access would or might adversely affect the confidential nature of, or any privilege relating to, the matters being discussed, or (ii) matters involving an Acquisition Proposal. No investigation pursuant to this Section 7.3 shall affect or be deemed to modify any representation or warranty made in this Agreement by MBT. First Merchants will use such information as is provided to it by MBT or the Subsidiaries, or representatives thereof, solely for the purpose of conducting business, legal and financial reviews of MBT and the Subsidiaries and for such other purposes as may be related to this Agreement, and First Merchants will, and will direct all of its agents, employees and advisors to, maintain the confidentiality of all such information in accordance with the terms of Section 8.5 below. Neither MBT nor any of the Subsidiaries shall be required to provide access to or to disclose

information where such access or disclosure would violate or prejudice the rights of its customers, jeopardize the attorney-client privilege of the entity in possession or control of such information or contravene any law, rule, regulation, order, judgment, decree, fiduciary duty or binding agreement entered into prior to the date of this Agreement. The parties will make appropriate and reasonable substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

7.4 Preservation of Business. On and after the date of this Agreement and until the Effective Date or until this Agreement is terminated as herein provided, MBT and the Subsidiaries shall (a) carry on their business diligently, substantially in the same manner as heretofore conducted, and in the ordinary course of business; (b) use commercially reasonable efforts to preserve their business organizations intact, to keep their present officers and employees and to preserve their present relationship with customers and others having business dealings with them; and (c) not do or fail to do anything which will cause a material breach of, or material default in, any contract, agreement, commitment, obligation, understanding, arrangement, lease or license to which they are a party or by which they are or may be subject or bound.

7.5 Other Negotiations.

(a) MBT shall not, and shall cause the Bank to not, during the term of this Agreement, directly or indirectly, solicit, encourage or facilitate inquiries or proposals or enter into any agreement with respect to, or initiate or participate in any negotiations or discussions with any person or entity concerning, any proposed transaction or series of transactions involving or affecting MBT or the Subsidiaries (or the securities or assets of the foregoing) that, if effected, would constitute an acquisition of control of either MBT, or the Subsidiaries within the meaning of 12 U.S.C. §1817(j) (disregarding the exceptions set forth in 12 U.S.C. §1817(j)(17)) and the regulations of the Federal Reserve Board thereunder (each, an “**Acquisition Proposal**”), or furnish any information to any person or entity proposing or seeking an Acquisition Proposal.

(b) Notwithstanding the foregoing, in the event that MBT’s Board of Directors determines in good faith and after consultation with outside counsel, that in light of an Acquisition Proposal, it is necessary to provide such information or engage in such negotiations or discussions in order to act in a manner consistent with such Board’s fiduciary duties, MBT’s Board of Directors may, in response to an Acquisition Proposal which was not solicited by or on behalf of MBT or the Bank or which did not otherwise result from a breach of Section 7.5(a), subject to its compliance with Section 7.5(c), (i) furnish information with respect to MBT or the Bank to such person or entity making such Acquisition Proposal pursuant to a customary confidentiality agreement that is no less restrictive than the Confidentiality Agreement between MBT and First Merchants and (ii) participate in discussions or negotiations regarding such Acquisition Proposal. In the event that MBT’s Board of Directors determines in good faith and after consultation with outside counsel, that the Acquisition Proposal is a Superior Acquisition Proposal (as defined below) and that it is necessary to pursue such Superior Acquisition Proposal in order to act in a manner consistent with such Board’s fiduciary duties, MBT may (A) withdraw, modify or otherwise change in a manner adverse to First Merchants, the recommendation of MBT’s Board of Directors to its shareholders with respect to this Agreement and the Merger, and/or (B) terminate this

Agreement in order to concurrently enter into an agreement with respect to such Superior Acquisition Proposal; provided, however, that MBT's Board of Directors may not terminate this Agreement pursuant to this Section 7.5(b) unless and until (x) ten (10) business days have elapsed following the delivery to First Merchants of a written notice of such determination by MBT's Board of Directors and during such ten (10) business-day period, MBT and the Bank otherwise cooperate with First Merchants with the intent of enabling the parties to engage in good faith negotiations so that the Merger and other transactions contemplated hereby may be effected and (y) at the end of such ten (10) business-day period MBT's Board of Directors continues reasonably to believe the Acquisition Proposal at issue constitutes a Superior Acquisition Proposal. A "**Superior Acquisition Proposal**" shall mean any Acquisition Proposal containing terms which MBT's Board of Directors determines in its good faith judgment (based on the advice of an independent financial advisor) to be more favorable to MBT's shareholders than the Merger and for which financing, to the extent required, is then committed or which, in the good faith judgment of MBT's Board of Directors, is reasonably capable of being obtained by such third party, but shall exclude any Acquisition Proposal the terms of which were made known to MBT's Board of Directors prior to the date of this Agreement.

(c) In addition to the obligations of MBT set forth in Section 7.5(a) and (b), MBT shall advise First Merchants orally and in writing as soon as reasonably practicable of any request (whether oral or in writing) for information or of any inquiries, proposals, discussions or indications of interest (whether oral or in writing) with respect to any Acquisition Proposal, the material terms and conditions of such request or Acquisition Proposal and the identity of the person or entity making such request or Acquisition Proposal. MBT shall keep First Merchants reasonably informed of the status and details (including amendments or proposed amendments) of any such request or Acquisition Proposal, including the status of any discussions or negotiations with respect to any Superior Acquisition Proposal.

7.6 Announcement; Press Releases. In connection with the execution of this Agreement, MBT and First Merchants intend to jointly issue a press release mutually acceptable to the parties. Except as otherwise required by law, neither MBT nor the Bank shall issue any additional press releases or make any other public announcements or disclosures relating to the Merger and the other transactions contemplated hereby without the prior approval of First Merchants provided, however, that nothing in this Section 7.6 shall be deemed to prohibit any party from making any disclosure that its counsel deems necessary in order to satisfy such party's disclosure obligation imposed by law.

7.7 MBT Disclosure Letter. MBT shall supplement, amend and update as of the Effective Date the MBT Disclosure Letter with respect to any matters hereafter arising which, if in existence or having occurred as of the date of this Agreement, would have been required to be set forth or described in the MBT Disclosure Letter. If, at any time prior to the Effective Date, MBT becomes aware of a fact or matter that might indicate that any of the representations and warranties of MBT herein may be untrue, incorrect or misleading in any material respect, MBT shall promptly disclose such fact or matter to First Merchants in writing.

7.8 Confidentiality. MBT and the Subsidiaries shall use commercially reasonable efforts to cause their respective officers, employees, and authorized representatives to hold in strict confidence all confidential data and information obtained by them from First Merchants, unless such information (a) was already known to MBT and the Subsidiaries, (b) becomes available to MBT and the Subsidiaries from other sources, (c) is independently developed by MBT and the Subsidiaries, (d) is disclosed by MBT or the Subsidiaries with and in accordance with the terms of prior written approval of First Merchants, or (e) is or becomes readily ascertainable from public or published information or trade sources or public disclosure of such information is required by law or requested by a court or other governmental agency, commission, or regulatory body. MBT and the Subsidiaries further agree that, in the event this Agreement is terminated, they will return to First Merchants, or destroy, all information obtained by MBT and the Subsidiaries from First Merchants or a First Merchants Subsidiary, including all copies made of such information by MBT and the Subsidiaries. This provision shall survive the Effective Date or the earlier termination of this Agreement.

7.9 Cooperation. MBT and the Bank shall generally cooperate with First Merchants and its officers, employees, attorneys, accountants and other agents, and, generally, do such other acts and things in good faith as may be reasonable, necessary or appropriate to timely effectuate the intents and purposes of this Agreement and the consummation of the transactions contemplated hereby, including, without limitation, (a) MBT shall cooperate and assist First Merchants in the preparation of and/or filing of all regulatory applications, the Registration Statement, and all other documentation required to be prepared for consummation of the Merger and the Bank Merger and obtaining all necessary approvals, and (b) MBT shall furnish First Merchants with all information concerning itself and the Subsidiaries that First Merchants may request in connection with the preparation of the documentation referenced above.

7.10 MBT Fairness Opinion. On the date hereof or as soon as reasonably practicable following the date hereof, MBT shall use its reasonable best efforts to procure the written opinion from Sandler O'Neill & Partners, L.P. to the Board of Directors of MBT to the effect that, as of the date of this Agreement, the Exchange Ratio is fair, from a financial point of view, to the holders of MBT Common Stock (the "**MBT Fairness Opinion**"). The MBT Fairness Opinion shall be included in the Proxy Statement (as defined below).

7.11 Financial Statements and Other Reports. Promptly upon its becoming available, MBT shall furnish to First Merchants one (1) copy of each financial statement, report, notice, or proxy statement sent by MBT to its shareholders generally or filed with any MBT Regulatory Authorities.

7.12 Adverse Actions. Neither MBT nor any Subsidiary shall (a) take any action while knowing that such action would, or is reasonably likely to, prevent or impede the Merger from qualifying as a reorganization within the meaning of Section 368 of the Code; or (b) knowingly take any action that is intended or is reasonably likely to result in (i) any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time at or prior to the Effective Date, (ii) any of the conditions to the Merger set forth in Section 9 not being satisfied, (iii) a material violation of any provision of this Agreement, or (iv) a material delay in the consummation of the Merger except, in each case, as may be required by applicable law or regulation.

7.13 Bank Merger Agreement. MBT shall cause the appropriate officers of the Bank to execute and deliver the Bank Merger Agreement contemporaneously herewith.

7.14 Change in Control and Severance Agreements. Prior to the Effective Date, MBT may amend the MBT change in control and severance agreements as more fully described in the MBT Disclosure Letter (the “**Change in Control Agreements**”) to eliminate the need for affected employees to resign in order to be entitled to benefits thereunder in exchange for the restrictive covenants provided thereunder being expressly enforceable by First Merchants or FMB according to their terms following the Effective Date.

7.15 Incentive Compensation Plans. Prior to the Effective Date, MBT shall use its reasonable best efforts to obtain necessary consents from grantees of stock only stock appreciation rights and restricted stock awards to permit the vesting of such awards and exchange for the merger consideration as provided in Section 3.1 and Section 3.2, respectively, less any applicable exercise price or tax withholdings. MBT shall take action prior to the Effective Date to cause the termination of the MBT Financial Corp. Long-Term Incentive Compensation Plan, 2008 Stock Incentive Plan and 2018 Stock Incentive Plan as of the Effective Date.

7.16 Death Benefit Only Plan. Subject to the continuing rights of existing participants, if requested by First Merchants, MBT shall cause the Executive and Director Death Benefit Only Plans to be terminated prior to the Effective Date.

7.17 Annual Incentive Pay Plan. Except as disclosed in the MBT Disclosure Schedule, if requested by First Merchants, MBT shall cause the Annual Incentive Pay Plans and pending Awards to be terminated prior to the Effective Date.

7.18 Postretirement Health Benefit Plan. Subject to the continuing rights of existing participants, if requested by First Merchants, MBT shall cause the Postretirement Benefit Plans to be terminated prior to the Effective Date.

7.19 Employee Stock Purchase Plan. If requested by First Merchants, MBT shall cause the Employee Stock Purchase Plan to be terminated prior to the Effective Date.

## SECTION 8

### COVENANTS OF FIRST MERCHANTS

First Merchants covenants and agrees with MBT as follows:

8.1 Approvals. As soon as reasonably practicable, but in any event within sixty (60) days following execution and delivery of this Agreement, First Merchants will file an application with each of the Federal Reserve Board and the Indiana Department of Financial Institutions (the “**Indiana DFI**”) for approval of the Merger and an application with each of the Indiana DFI and the FDIC for approval of the Bank Merger, and take all other appropriate actions necessary to obtain the regulatory approvals referred to herein, and MBT will use all reasonable and diligent efforts to assist in obtaining all such approvals. In advance of filing any applications for such regulatory approvals, First Merchants shall provide MBT and its counsel with a copy of such applications (but excluding any information



contained therein regarding First Merchants and its business or operations for which confidential treatment has been requested) and provide an opportunity to comment thereon, and thereafter shall promptly advise MBT and its counsel of any material communication received by First Merchants or its counsel from any regulatory authorities with respect to such applications. In addition, First Merchants agrees to prepare, in cooperation with and subject to the review and comment of MBT and its counsel, a registration statement on Form S-4, including a prospectus of First Merchants (the “**Registration Statement**”), to be filed no later than sixty (60) days after the date hereof by First Merchants with the SEC in connection with the issuance of First Merchants Common Stock in the Merger (including the proxy statements and prospectus and other proxy solicitation materials of, and to be filed by, MBT and First Merchants constituting a part thereof (the “**Proxy Statement**”) and all related documents). First Merchants agrees to use its reasonable best efforts to have the Registration Statement declared effective by the SEC and to keep the Registration Statement effective so long as is necessary to consummate the Merger and the transactions contemplated hereby. First Merchants agrees to advise MBT, promptly after First Merchants receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of First Merchants Common Stock for offering or sale in any jurisdiction, of the initiation or threat of any proceeding for any such purpose, or of the receipt of any comment letters from the SEC regarding, or of any request by the SEC for the amendment or supplement of, the Registration Statement, or for additional information. First Merchants agrees to use its reasonable best efforts to list, prior to the Effective Date, on the NASDAQ Global Select Market (subject to official notice of issuance), the shares of First Merchants Common Stock to be issued to the holders of shares of MBT Common Stock in the Merger.

## 8.2 Employee Benefit Plans.

(a) First Merchants shall take such action as may be necessary so that, as soon as reasonably practicable following the Effective Date, employees of MBT and the Subsidiaries shall be entitled to participate in the employee benefit plans of First Merchants. With respect to each employee benefit plan or benefit arrangement maintained by First Merchants in which employees of MBT or the Subsidiaries subsequently participate, for purposes of determining eligibility, vesting, vacation and severance entitlement, First Merchants will ensure that service with MBT or the Subsidiaries will be treated as service with First Merchants; provided, however, that service with MBT or the Subsidiaries shall not be treated as service with First Merchants for purposes of benefit accrual, except with respect to severance benefits. At its discretion, First Merchants shall either (a) cause the MBT Retirement Plan and related money purchase pension Plan (the “**401(k) Plan**”) to be merged with and into the First Merchants’ Retirement Income and Savings Plan, with employees of MBT and the Subsidiaries eligible to participate in such First Merchants plan subject to and pursuant to the terms thereof; (b) assume sponsorship of the 401(k) Plan effective as of the Effective Date; or (c) direct MBT to take such reasonable steps to terminate the 401(k) Plan prior to the Effective Date (which MBT hereby agrees to take), in which case, First Merchants agrees that any outstanding participant loans under the 401(k) Plan may be rolled over to the First Merchants’ Retirement Income and Savings Plan so that participants can continue to repay outstanding loans via payroll deduction, if permitted under the terms of the respective plans.

(b) Coverage Under First Merchants' Health and Welfare Plan. With respect to First Merchants' health and welfare plans under which employees of MBT or the Subsidiaries and their eligible dependents become participants, First Merchants agrees to (i) waive all restrictions and limitations for pre-existing conditions, (ii) honor any deductible, co-payments and out-of-pocket maximums incurred by MBT's or the Subsidiaries' employees and their eligible dependents under the health plans in which they participated immediately prior to the Effective Date during the portion of the calendar year prior to the Effective Date in satisfying any deductibles, co-payments or out-of-pocket maximums under health plans of First Merchants in which they are eligible to participate after the Effective Date in the same plan year in which such deductibles, co-payments or out-of-pocket maximums were incurred, and (iii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to an employee of MBT or the Subsidiaries and his or her eligible dependents on or after the Effective Date, in each case to the extent such employee or eligible dependent had satisfied any similar limitation or requirement under an analogous plan prior to the Effective Date.

(c) Severance. For any employee of MBT who did not have an employment agreement, change in control agreement or severance agreement, who is not offered employment with First Merchants or FMB with salary and bonus opportunities substantially the same as the salary and bonus opportunities of their current employment with MBT or whose employment is terminated by First Merchants or FMB (other than for cause) on or within six (6) months of the Effective Date, First Merchants agrees that it shall provide such employees with severance and outplacement benefits identical to those offered to First Merchants employees as listed on the First Merchants Disclosure Letter; provided, however, the minimum severance benefit will be four (4) weeks.

(d) COBRA. First Merchants shall be responsible for providing COBRA continuation coverage to any qualified employee or former employee of MBT or the Subsidiaries and to their respective qualified beneficiaries, on and after the Effective Date, regardless of when the qualifying event occurred.

(e) Deferred Compensation Plans. As set forth in Schedule 8.2(f) of the Disclosure Schedule First Merchants shall work with MBT to find a mutually agreeable transition or termination with respect to the MBT supplemental executive retirement agreement (SERP) together with the related SERP split dollar plan and director deferred compensation plans.

8.3 Announcement; Press Releases. In connection with the execution of this Agreement, MBT and First Merchants intend to jointly issue a press release mutually acceptable to the parties. Except as otherwise required by law, neither First Merchants nor a First Merchants Subsidiary shall issue any additional press releases or make any other public announcements or disclosures relating to the Merger or the Bank Merger without the prior approval of MBT provided, however, that nothing in this Section 8.3 shall be deemed to prohibit any party from making any disclosure that its counsel deems necessary in order to satisfy such party's disclosure obligation imposed by law.

8.4 Confidentiality. First Merchants shall, and shall use its best efforts to cause the First Merchants Subsidiaries and its officers, employees, and authorized representatives to, hold in strict confidence all confidential data and information obtained by them from MBT, unless such information (i) was already known to First Merchants prior to entering into merger discussions with MBT, (ii) becomes available to First Merchants from other sources, (iii) is independently developed by First Merchants, (iv) is disclosed by First Merchants with and in accordance with the terms of prior written approval of MBT, or (v) is or becomes readily ascertainable from public or published information or trade sources or public disclosure of such information is required by law or requested by a court or other governmental agency, commission, or regulatory body. First Merchants further agrees that in the event this Agreement is terminated, it will return to MBT, or will destroy, all information obtained by it regarding MBT or the Bank, including all copies made of such information by First Merchants. This provision shall survive the Effective Date or the earlier termination of this Agreement.

8.5 Directors and Officers Insurance.

(a) For a period of at least six (6) years from the Effective Date (the “**Tail Coverage Period**”), First Merchants shall use its reasonable best efforts to obtain an endorsement to its director’s and officer’s liability insurance policy to cover the present and former officers and directors of MBT and the Bank (determined as of the Effective Date) with respect to claims against such directors and officers arising from facts or events which occurred before the Effective Date, which insurance shall contain at least the same coverage and amounts, and contain terms and conditions no less advantageous, as that coverage currently provided by MBT; provided however, that if First Merchants is unable to obtain such endorsement, then First Merchants may purchase tail coverage under MBT’s existing director and officer liability insurance policy for such claims; provided further that in no event shall First Merchants be required to expend more than 1.5 times the annual amount paid by MBT for its director and officer liability insurance coverage prior to the Effective Date for each year of the Tail Coverage Period purchased (the “**Insurance Amount**”); provided further, that if First Merchants is unable to maintain or obtain the insurance called for by this Section 8.5, First Merchants shall use its reasonable best efforts to obtain as much comparable insurance as is available for the Insurance Amount; provided, further, that officers and directors of MBT or the Bank may be required to make application and provide customary representations and warranties to First Merchants’ insurance carrier for the purpose of obtaining such insurance.

(b) Following the Effective Date, First Merchants will provide any MBT or Subsidiary officers, directors and employees who become officers, directors and employees of the Continuing Company or its subsidiaries with the same directors and officers liability insurance coverage and indemnification protections that First Merchants provides to other officers, directors and employees of First Merchants or its subsidiaries. In addition, First Merchants further agrees to indemnify and advance expenses to the current and former directors and officers of MBT and the Subsidiaries after the Effective Date, for all actions taken by them prior to the Effective Date in their respective capacities as directors and officers of MBT or the Subsidiaries to the same extent (and subject to the same limitations) as the indemnification provided by MBT and the Subsidiaries under their respective Articles of Incorporation and Bylaws (as applicable) to such directors and officers immediately prior

to the Effective Date and as permitted under applicable law. Notwithstanding the foregoing, the indemnity obligations contained herein shall be limited as may be required by applicable federal banking laws and regulations.

(c) All rights to indemnification and exculpation from liabilities for acts or omissions occurring on or prior to the Effective Date now existing in favor of the current or former directors or officers of MBT and the Subsidiaries as provided in their respective Articles of Incorporation and Bylaws and any existing indemnification agreements or arrangements of MBT or the Subsidiaries described in the MBT Disclosure Letter, shall survive the Merger and shall continue in full force and effect in accordance with their terms to the extent permitted by law, and shall be honored by First Merchants following the Effective Date with respect to acts or omissions of such individuals occurring or alleged to occur on or prior to the Effective Date.

(d) In the event of any threatened or actual claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, including, without limitation, any such claim, action suit, proceeding or investigation in which any individual who is now, or has been at any time prior to the date of this Agreement, or who becomes prior to the Effective Date, a director or officer of MBT or any Subsidiary (the “**Indemnified Parties**”), is, or is threatened to be, made a party based in whole or in part on, or arising in whole or in part out of, or pertaining to (i) the fact that he is or was a director, officer or employee of MBT or a Subsidiary or any of their predecessors or (ii) this Agreement or any of the transactions contemplated hereby, whether in any case asserted or arising before or on or after the Effective Date, the parties hereto agree to cooperate and use their best reasonable efforts to defend against and respond thereto.

(e) If First Merchants shall consolidate with or merge into any other entity and shall not be the continuing or surviving entity of such consolidation or merger or shall transfer all or substantially all of its assets to any entity, then and in each case, proper provision shall be made so that the successors and assigns of First Merchants shall assume the obligations set forth in this Section 8.5.

8.6 SEC and Other Reports. Promptly upon its becoming available, First Merchants shall furnish to MBT one (1) copy of each financial statement, report, notice, or proxy statement sent by First Merchants to its shareholders generally and of each regular or periodic report, registration statement or prospectus filed by First Merchants with the SEC or any successor agency, and of any notice or communication received by First Merchants from the SEC, which is not available on the SEC’s EDGAR internet database.

8.7 First Merchants Disclosure Letter. First Merchants shall supplement, amend and update as of the Effective Date the First Merchants Disclosure Letter with respect to any matters hereafter arising which, if in existence or having occurred as of the date of this Agreement, would have been required to be set forth or described in the First Merchants Disclosure Letter. If, at any time prior to the Effective Date, First Merchants becomes aware of a fact or matter that might indicate that any of the representations and warranties of First Merchants herein may be untrue, incorrect or misleading in any material respect, First Merchants shall promptly disclose such fact or matter to MBT in writing.

8.8 Adverse Actions. Neither First Merchants nor any First Merchants Subsidiary shall (a) take any action while knowing that such action would, or is reasonably likely to, prevent or impede the Merger from qualifying as a reorganization within the meaning of Section 368 of the Code; or (b) knowingly take any action that is intended or is reasonably likely to result in (i) any of its representations and warranties set forth in this Agreement being or becoming untrue in any respect at any time at or prior to the Effective Date, (ii) any of the conditions to the Merger set forth in Section 9 not being satisfied, (iii) a material violation of any provision of this Agreement, or (iv) a material delay in the consummation of the Merger except, in each case, as may be required by applicable law or regulation.

8.9 Cooperation. First Merchants shall generally cooperate with MBT and its officers, employees, attorneys, accountants and other agents, and, generally, do such other acts and things in good faith as may be reasonable, necessary or appropriate to timely effectuate the intents and purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.10 Bank Merger Agreement. First Merchants shall cause the appropriate officers of FMB to execute and deliver the Bank Merger Agreement upon approval by FMB's Board of Directors.

8.11 Preservation of Business. On and after the date of this Agreement and until the Effective Date or until this Agreement is terminated as herein provided, First Merchants and the First Merchants Subsidiaries shall (a) except as set forth in the First Merchants Disclosure Letter, carry on their business diligently, substantially in the same manner as heretofore conducted, and in the ordinary course of business; (b) use commercially reasonable efforts to preserve their business organizations intact, to keep their present officers and employees and to preserve their present relationship with customers and others having business dealings with them; and (c) not do or fail to do anything which will cause a material breach of, or material default in, any contract, agreement, commitment, obligation, understanding, arrangement, lease or license to which they are a party or by which they are or may be subject or bound.

8.12 Regional Board. All members of the Board of Directors of the Bank, who have agreed to serve in such capacity and would not be otherwise prohibited to serve under applicable law, shall be appointed to FMB's Michigan regional advisory board, as soon as practicable after the Effective Date.

8.13 Representation on FMC Board. First Merchants shall cause one (1) Person who is currently a member of the MBT Board of Directors (who may be chosen by First Merchants after the opportunity for consultation regarding its choice having been afforded to MBT) to be vetted and appointed for a term to the First Merchants Board of Directors according to the First Merchants Bylaws and Corporate Governance guidelines as soon as practicable after the Effective Date.

## SECTION 9

### CONDITIONS PRECEDENT TO THE MERGER AND THE BANK MERGER

The obligation of each of the parties hereto to consummate the transactions contemplated by this Agreement is subject to the satisfaction and fulfillment of each of the following conditions on or prior to the Effective Date:

9.1 Shareholder Approval. The shareholders of MBT shall have approved the Merger as required by applicable law.

9.2 Registration Statement Effective. First Merchants shall have registered its shares of First Merchants Common Stock to be issued to shareholders of MBT in accordance with this Agreement with the SEC pursuant to the 1933 Act, and all state securities and “blue sky” approvals and authorizations required to offer and sell such shares, if any, shall have been received by First Merchants. The Registration Statement shall have been declared effective by the SEC and no stop order shall have been issued or threatened. The shares of First Merchants Common Stock shall have been listed for trading on the NASDAQ Global Select Market (subject to official notice of issuance).

9.3 Tax Opinions. First Merchants shall have obtained an opinion of Bingham Greenebaum Doll LLP, in form and substance reasonably acceptable to the parties, dated on or about the date the Proxy Statement/Prospectus is delivered to MBT shareholders to the effect that the Merger effected pursuant to this Agreement shall constitute a reorganization within the meaning of Section 368(a) of the Code. Such opinion shall be based on factual representations received by counsel from MBT and First Merchants, which representations may take the form of written certifications. Such opinion will comply with the regulations and guidance of the SEC with respect to the persons entitled to rely on tax opinions contained in the Registration Statement.

9.4 Regulatory Approvals. The Federal Reserve Board and the Indiana DFI shall have authorized and approved the Merger and the transactions related thereto. The Indiana DFI and the FDIC shall have approved the Bank Merger and the transactions related thereto. In addition, all appropriate orders, consents, approvals and clearances from all other regulatory agencies and governmental authorities whose orders, consents, approvals or clearances are required by law for consummation of the transactions contemplated by this Agreement shall have been obtained. All regulatory approvals remain in full force and effect and all statutory waiting periods shall have expired or been terminated.

9.5 Officer's Certificate. First Merchants and MBT shall have delivered to each other a certificate signed by their respective Chairman or President and their Secretary, dated the Effective Date, certifying that (a) all of the representations and warranties of their respective corporations are true, accurate and correct in all material respects on and as of the Effective Date, except that representations and warranties that are qualified by materiality or a Material Adverse Effect shall be true and correct in all respects, and provided that for those representations and warranties which address matters only as of an earlier date, then they shall be tested as of such earlier date; (b) all the covenants of their respective corporations have been complied with in all material respects from the date of this Agreement through and as of the Effective Date; and (c) their respective corporations

have satisfied and fully complied with in all material respects all conditions necessary to make this Agreement effective as to them. Additionally MBT shall certify as to the number of shares of its capital stock are issued and outstanding as of the Effective Date.

9.6 No Judicial Prohibition. Neither MBT, the Bank nor First Merchants shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger or the Bank Merger.

9.7 MBT Fairness Opinion. MBT shall have obtained the MBT Fairness Opinion. Such opinion shall be provided orally to MBT Board of Directors on or prior to the date hereof and a written copy of such fairness opinion shall be delivered to MBT within thirty (30) days of the date hereof.

9.8 Bank Merger Agreement. FMB and the Bank shall have entered into the Bank Merger Agreement.

## SECTION 10

### TERMINATION OF MERGER

10.1 Manner of Termination. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Effective Date by written notice delivered by First Merchants to MBT or by MBT to First Merchants only for the following reasons:

(a) By the mutual consent of First Merchants and MBT, if the Board of Directors of each so determines by vote of a majority of the members of its entire Board;

(b) By First Merchants or MBT, if its respective Board of Directors so determines by vote of a majority of the members of its entire Board, in the event of either: (i) a material breach by the other party of any representation or warranty contained herein which breach cannot be or has not been cured within thirty (30) days after the giving of written notice to the breaching party of such breach; (ii) a material breach by the other party of any of the covenants or agreements contained herein, which breach cannot be or has not been cured within thirty (30) days after the giving of written notice to the breaching party of such breach; or (iii) any event, fact or circumstance shall have occurred with respect to the other party that has had or could be reasonably expected to have a Material Adverse Effect on such party;

(c) by either First Merchants or MBT, in the event of the failure of MBT's shareholders to approve the Agreement at the Shareholder Meeting; provided, however, that MBT shall only be entitled to terminate the Agreement pursuant to this clause if it has complied in all material respects with its obligations under Section 7.1;

(d) by either First Merchants or MBT, if either (i) any approval, consent or waiver of any governmental or regulatory authority, agency, court, commission, or other administrative entity ("**Governmental Entity**") required to permit consummation of the transactions contemplated by this Agreement shall have been denied and such denial has become final and non-appealable or (ii) any

court or other Governmental Entity of competent jurisdiction shall have issued a final, unappealable order enjoining or otherwise prohibiting consummation of the transactions contemplated by this Agreement;

(e) By MBT or First Merchants, if the transaction contemplated herein has not been consummated by June 30, 2019; provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein; and provided further, that if the sole impediment to closing is the lack of receipt of any necessary regulatory approvals described in Section 9.4, then such termination date shall be extended to September 30, 2019;

(f) By MBT, in accordance with the terms of Section 7.5(b) of this Agreement;

(g) By First Merchants, if MBT's Board of Directors fails to make, withdraws or modifies its recommendation for MBT's shareholders to vote in favor of the Merger following receipt of a written proposal for an Acquisition Proposal; or

(h) By First Merchants, (i) if MBT breaches in any material respect its notice obligations under Section 7.5(c) or (ii) if within sixty (60) days after giving First Merchants written notice pursuant to Section 7.5(c) of an Acquisition Proposal, MBT does not terminate all discussions, negotiations and information exchanges related to such Acquisition Proposal and provide First Merchants with written notice of such termination.

(i) By MBT, if MBT's Board of Directors so determines by a majority vote of the members of such Board, at any time during the five (5) business day period commencing on the Determination Date if both of the following conditions are satisfied:

(i) The FMC Market Value is less than eighty percent (80%) of the Initial FMC Market Value; and

(ii) The quotient obtained by dividing the FMC Market Value by the Initial FMC Market Value ("**Buyer Ratio**") shall be less than the quotient obtained by dividing the Final Index Price by the Initial Index Price, minus 0.20 (the "**Index Ratio**")

If MBT elects to exercise its termination right pursuant to this Section 10.1(i), it shall give prompt written notice thereof to First Merchants. During the five (5) business day period commencing with its receipt of such notice, First Merchants shall have the option to increase the Exchange Ratio, at its sole discretion, to (x) the quotient, the numerator of which is equal to the product of the Initial FMC Market Value, the Exchange Ratio (as then in effect) and the Index Ratio, and the denominator of which is equal to the FMC Market Value, or (y) the quotient determined by dividing the Initial FMC Market Value by the FMC Market Value, and multiplying the quotient by the product of the Exchange Ratio (as then in effect) and 0.80. If First Merchants so elects, it shall give, within such five (5) business day period, written notice to MBT of such election and the revised Exchange Ratio, whereupon no termination shall be deemed to have occurred pursuant to this Section 10.1(i) and this Agreement shall remain in full force and effect in accordance with its terms, except as the Exchange Ratio shall have been so modified.



For purposes of this Section 10.1(i), the following terms shall have the meanings indicated below:

“**Determination Date**” shall mean the later of the date on which (i) all regulatory approvals required pursuant to Section 9.4 (and waivers, if applicable) have been received (disregarding any waiting period), and (ii) the approval of this Agreement, the Merger and any other matter required to be approved by the shareholders of MBT in order to consummate the Merger and the transactions contemplated herein is obtained.

“**Final Index Price**” means the average of the closing price of the Index on each of ten (10) consecutive trading days immediately preceding the Determination Date.

“**FMC Market Value**” shall be the average of the daily closing sales prices of a share of First Merchants Common Stock as reported on NASDAQ for the ten (10) consecutive trading days immediately preceding the Determination Date.

“**Index**” means the NASDAQ Bank Index; provided, however, that if the NASDAQ Bank Index is not available for any reason, “Index” shall mean such substitute or similar index as substantially replicates the NASDAQ Bank Index.

“**Initial FMC Market Value**” means the average of the daily closing sales prices of a share of First Merchants Common Stock, as reported on NASDAQ, for the ten (10) consecutive trading days immediately preceding the date of this Agreement.

“**Initial Index Price**” means the average of the closing prices of the Index on each of ten (10) consecutive trading days immediately preceding the date of this Agreement.

If First Merchants or any company belonging to the Index declares or effects a stock split, stock dividend, recapitalization, reclassification, or similar transaction with respect to the outstanding common stock, and the record date therefor shall be after the date of this Agreement and prior to the Determination Date, the prices for the common stock of such company shall be proportionately and appropriately adjusted for the purpose of applying this Section 10.1(i).

10.2 Effect of Termination. Except as provided below, in the event that this Agreement is terminated pursuant to the provisions of Section 10.1 hereof, this Agreement shall forthwith become void and, no party shall have any liability to any other party for costs, expenses, damages or otherwise, except that Sections 7.8, 8.4, 10.2, 13.9, and 13.12 shall survive any termination of this Agreement; provided, however, that notwithstanding the foregoing, in the event that this Agreement is terminated pursuant to Section 10.1(b)(i) and (ii) hereof on account of a willful breach of any of the representations and warranties set forth herein or any willful breach of any of the agreements set forth herein, then the non-breaching party shall be entitled to recover appropriate damages from the breaching party, including, without limitation, reimbursement to the non-breaching party of its costs, fees and expenses (including attorneys’, accountants’ and advisors’ fees and expenses) incident to the negotiation, preparation and execution of this Agreement and related documentation; provided further, however,

that nothing in the foregoing proviso shall be deemed to constitute liquidated damages for the breach by a party of the terms of this Agreement or otherwise limit the rights of the non-breaching party. Notwithstanding the foregoing, the following termination fees shall be payable as provided below.

(i) In the event of termination by MBT in accordance with Section 10.1(f) or by First Merchants in accordance with Section 10.1(g), Section 10.1(h)(i) or Section 10.1(h)(ii), then MBT shall pay First Merchants the sum of Twelve Million Six Hundred Eighty Thousand and 00/100 Dollars (\$12,680,000.00) as a termination fee. Such payment shall be made within ten (10) days of the date of notice of termination. First Merchants shall also be entitled to recover from MBT its reasonable attorneys' fees incurred in the enforcement of this provision. The termination fee payable by the Company constitutes liquidated damages and not a penalty and shall be the sole remedy of First Merchants in the event of termination of this Agreement based on Sections 10.1(f), 10.1(g), 10.1(h)(i) or 10.1(h)(ii).

(ii) If this Agreement is terminated by either party pursuant to Section 10.1(e) as a result of the failure to obtain any of the required regulatory approvals and such failure is a result of a regulatory issue directly and solely related to First Merchants, First Merchants shall pay to MBT an amount in cash equal to Two Million Five Hundred Thousand Dollars (\$2,500,000).

## SECTION 11

### EFFECTIVE DATE OF MERGER

Subject to the terms and upon satisfaction of all requirements of law and the conditions specified in this Agreement, the Merger shall become effective at the close of business on the day specified in the Articles of Merger of MBT with and into First Merchants as filed with the Secretary of State of the State of Indiana and the Certificate of Merger of MBT with and into First Merchants as filed with the Michigan Corporations Division (the "**Effective Date**"). Unless otherwise agreed to by the parties, the Effective Date shall be no later than the last business day of the month in which both (a) any waiting period following the last approval of the Merger and Bank Merger by a state or federal regulatory agency or governmental authority expires and (b) the conditions precedent to the Merger and the Bank Merger outlined in Section 9 have been satisfied.

## SECTION 12

### CLOSING

12.1 Closing Date and Place. The closing of the Merger (the "**Closing**") and the Bank Merger shall take place at the main office of First Merchants on the Effective Date or at such other time and place as mutually agreed to by First Merchants and MBT.

12.2 Merger-Articles of Merger. Subject to the provisions of this Agreement, on the Effective Date, the Articles of Merger shall be duly filed with the Secretary of State of the State of Indiana, and the Certificate of Merger shall be duly filed with the Michigan Corporations Division.

12.3 Bank Merger-Articles of Merger. Subject to the provisions of this Agreement, on the Effective Date, articles of merger, certificates of merger or other filings necessary to consummate the Bank Merger shall be duly filed.

## SECTION 13

### MISCELLANEOUS

13.1 Effective Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but none of the provisions hereof shall inure to the benefit of any other person, firm, or corporation whomsoever; except that (a) the terms and provisions of Sections 8.2(c) and 8.5 of this Agreement shall inure to the benefit of the current and former employees, officers and directors of MBT, as applicable, as specified in such sections and shall be enforceable by such individuals against First Merchants, and (b) the terms and provisions of Section 3.4 shall inure to the benefit of the former shareholders of MBT. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned or transferred by either party hereto without the prior written consent of the other party.

#### 13.2 Waiver; Amendment.

(a) First Merchants and MBT may, by an instrument in writing executed in the same manner as this Agreement: (i) extend the time for the performance of any of the covenants or agreements of the other party under this Agreement; (ii) waive any inaccuracies in the representations or warranties of the other party contained in this Agreement or in any document delivered pursuant hereto or thereto; (iii) waive the performance by the other party of any of the covenants or agreements to be performed by it or them under this Agreement; or (iv) waive the satisfaction or fulfillment of any condition the nonsatisfaction or nonfulfillment of which is a condition to the right of the party so waiving to terminate this Agreement. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder.

(b) Notwithstanding the prior approval by the shareholders of MBT, this Agreement may be amended, modified or supplemented by the written agreement of MBT, First Merchants, the Bank and FMB without further approval of such shareholders, except that no such amendment, modification or supplement shall decrease the consideration specified in Section 3 hereof, or shall otherwise materially adversely affect the rights of the shareholders of MBT or the tax consequences of the Merger to the shareholders of MBT without the further approval of such shareholders.

13.3 Notices. Any and all notices or other communications required or permitted under this Agreement shall be in writing and shall be deemed to be given (i) when delivered in person, or (ii) on the day of transmission if sent via facsimile transmission to the facsimile number given below, provided telephonic confirmation of receipt is obtained promptly after completion of transmission, or (iii) on the fifth (5th) day after sent by certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

If to First Merchants:  
200 E. Jackson Street  
Muncie, IN 47305  
Attn: Brian T. Hunt, Esq.  
General Counsel  
FAX: (765) 741-7283

With a copy to:  
Bingham Greenebaum Doll LLP  
2700 Market Tower  
10 West Market Street  
Indianapolis, Indiana 46204-2982  
Attn: Jeremy E. Hill, Esq.  
FAX: (317) 236-9907

If to MBT:

With a copy to:

102 E. Front Street  
Monroe, Michigan 48161  
Attn: H. Douglas Chaffin  
President and Chief Executive Officer  
FAX: (734) 241-3431

Shumaker, Loop & Kendrick LLP  
1000 Jackson Street  
Toledo, OH 43604  
Attn: Martin D. Werner, Esq.  
FAX: (419) 241-6894

or to such substituted address as any of them have given to the other in writing.

13.4 Headings. The headings in this Agreement have been inserted solely for the ease of reference and should not be considered in the interpretation or construction of this Agreement.

13.5 Severability. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision or provisions had never been contained herein.

13.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument. In addition, this Agreement and the documents to be delivered hereunder may be executed by the parties hereto either manually or by facsimile signatures, each of which shall constitute an original signature.

13.7 Governing Law. This Agreement is executed in and shall be construed in accordance with the laws of the State of Indiana, without regard to choice of law principles.

13.8 Entire Agreement. This Agreement supersedes any other agreement, whether oral or written, between First Merchants and MBT relating to the matters contemplated hereby, and constitutes the entire agreement between the parties hereto.

13.9 Expenses. First Merchants and MBT shall each pay their own expenses incidental to the transactions contemplated hereby. It is understood that the fees of the investment bankers for the fairness opinion desired hereunder shall be borne by the engaging party whether or not the Merger is consummated. This provision shall survive the Effective Date or the earlier termination of this Agreement.

13.10 Securityholder Litigation. Each party shall notify the other party hereto in writing of any litigation related to this Agreement, the Merger or the other transactions contemplated by this Agreement that is brought, or, to the knowledge of either party, threatened in writing, against it and/or the members of its Board of Directors (any such litigation and/or the executive officers or members of the Board of Directors of a party (a “**Transaction Litigation**”)), and shall keep the other party reasonably informed with respect to the status thereof. Each party shall give the other party the opportunity to participate in the defense or settlement of any Transaction Litigation, and, except to the extent required by applicable law, neither party shall settle, agree to any undertakings or approve or otherwise agree to any waiver that may be sought in connection with such Transaction Litigation, without the prior written consent of the other party (which shall not be unreasonably withheld, conditioned or delayed).

13.11 Certain Definitions. For purposes of this Agreement, “**MBT’s Management**” means any of H. Douglas Chaffin and John L. Skibski; and “**First Merchants’ Management**” means any of Michael C. Rechin and Mark K. Hardwick. The phrases “to the knowledge of”, “known to” and similar formulations with respect to MBT’s Management or First Merchants’ Management means matters that are within the actual conscious knowledge of such persons after due inquiry. For purposes of this Agreement, “**business day**” means any day other than a Saturday, Sunday or other day that a federal savings bank or a national banking association is authorized or required by applicable law to be closed.

13.12 Survival of Contents. The provisions of Sections 7.8, 8.4, 10.2, 13.9 and this Section 13.12 shall survive beyond the termination of this Agreement. The provisions of Sections 7.8, 8.2, 8.4, 8.5, 13.9 and this Section 13.12 shall survive beyond the Effective Date.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

**IN WITNESS WHEREOF**, First Merchants and MBT have made and entered into this Agreement as of the day and year first above written and have caused this Agreement to be executed and attested by their duly authorized officers.

**FIRST MERCHANTS CORPORATION**

By: /s/ Michael C. Rechin  
Michael C. Rechin, President  
and Chief Executive Officer

**MBT FINANCIAL CORP.**

By: /s/ H. Douglas Chaffin  
H Douglas Chaffin, President  
and Chief Executive Officer

**EXHIBIT A**

**AGREEMENT AND PLAN OF MERGER**

**Merging**

**MONROE BANK & TRUST,  
A Michigan commercial bank,  
with and into  
FIRST MERCHANTS BANK  
an Indiana commercial bank**

**THIS AGREEMENT AND PLAN OF MERGER** (this “Agreement and Plan”), made and entered into as of the 9th day of October, 2018, by and between **FIRST MERCHANTS BANK**, an Indiana commercial bank (“FMB”), and **MONROE BANK & TRUST**, a Michigan commercial bank (the “Bank”) (FMB and the Bank are sometimes referred to collectively as the “Constituent Companies”).

**WITNESSETH**

**WHEREAS**, the Constituent Companies desire to consummate the business combination transaction outlined in this Agreement and Plan pursuant to which the Bank will consolidate and merge with and into FMB in accordance with 12 U.S.C. §1828(c), the Michigan Banking Code of 1999, as amended, and the Indiana Financial Institutions Act (collectively, the “Law”);

**WHEREAS**, this Agreement and Plan is being executed in connection with, and the consummation of this Agreement and Plan is expressly contingent upon the closing of, that certain Agreement and Plan of Reorganization and Merger (the “Merger Agreement”) between First Merchants Corporation, an Indiana corporation (“First Merchants”) and MBT Financial Corp., a Michigan corporation (“MBT”) dated as of February 17, 2017 (the “Holding Company Merger”);

**WHEREAS**, the Boards of Directors of both FMB and the Bank have approved the transactions contemplated by this Agreement;

**WHEREAS**, First Merchants, as the sole shareholder of FMB, and MBT, as the sole shareholder of the Bank, have also adopted this Agreement and Plan and approved the transactions contemplated by this Agreement and Plan;

**NOW, THEREFORE**, in consideration of the premises and of the mutual provisions, agreements, covenants, conditions and grants contained in this Agreement and Plan, and in accordance with the provisions of the Law, the parties mutually covenant and agree as follows:

## ARTICLE I

### THE MERGER

**1.1 The Merger.** At the “Effective Time” (as defined below), the Bank shall be consolidated and merged with and into FMB in accordance with applicable provisions of the Law (the “Merger”). The separate existence and company organization of the Bank shall cease, and the company existence of FMB, including all its purposes, powers and objectives, shall continue unaffected and unimpaired by the Merger. FMB shall continue to be governed by the laws applicable to state-chartered nonmember commercial banks under the Law and the regulations promulgated thereunder and shall succeed to all the rights, privileges, immunities, powers, duties and liabilities of the Bank as set forth in the Law.

**1.2 Further Assurances.** If, after the Effective Time, FMB shall consider or be advised that any further deeds, assignments or assurances in the Law or any other things are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in FMB, its right, title or interest in, to or under any rights, properties or assets of the Bank, or (b) otherwise carry out the purposes of this Agreement and Plan, the Bank and its officers and directors shall be deemed to have granted to FMB an irrevocable power of attorney to execute and deliver all such deeds, assignments or assurances in law and to do all acts necessary or proper to vest, perfect or confirm title to and possession of such rights, properties or assets in FMB and otherwise to carry out the purposes of this Agreement and Plan, and the officers and directors of FMB are authorized in the name of the Bank or otherwise to take any and all such action.

**1.3 Offices.** Immediately following the Merger, FMB’s principal office shall be located at 200 East Jackson Street, Muncie, Indiana 47305 and the Bank’s principal office at 102 E. Front Street, Monroe, Michigan 48161 shall become a branch office of FMB.

**1.4 Savings Accounts.** By virtue of the Merger, savings accounts held at the Bank shall automatically, by operation of law, become savings accounts held at FMB.

## ARTICLE II

### **ARTICLES OF INCORPORATION, CODE OF BYLAWS BOARD OF DIRECTORS AND OFFICERS**

**2.1 Name.** The name of the surviving bank shall be “First Merchants Bank.”

**2.2 Articles of Incorporation.** The Articles of Incorporation of FMB shall be the Articles of Incorporation of the surviving bank.

**2.3 Code of Bylaws.** The Code of Bylaws of FMB (the “Code of Bylaws”) shall be the Code of Bylaws of the surviving bank.

**2.4 Officers and Directors.** The directors of FMB shall all remain directors of the surviving bank and shall hold such offices from the Effective Time until their respective successors are duly elected and qualified in the manner provided in the Code of Bylaws. The officers of FMB



shall all remain officers of the surviving bank and shall hold such offices from the Effective Time until their respective successors are duly elected and qualified in the manner provided in the Code of Bylaws.

### ARTICLE III

#### CAPITAL STOCK OF THE SURVIVING BANK

**3.1 Shares of the Bank.** At the Effective Time, by virtue of the Merger and without any further action on the part of FMB or the Bank, all ten million (10,000,000) issued and outstanding shares of the common capital stock of the Bank, whose separate existence shall cease, shall automatically and by operation of law be canceled, void and of no further effect.

**3.2 Shares of FMB.** At the Effective Time, by virtue of the Merger and without any further action on the part of FMB or the Bank, all one hundred fourteen thousand (114,000) issued and outstanding shares of the common capital stock of FMB, shall represent all of the issued and outstanding shares of the common capital stock of the surviving bank.

### ARTICLE IV

#### NO DISSENTING SHAREHOLDERS

First Merchants, as the sole shareholder of FMB, and MBT, as the sole shareholder of the Bank, have adopted this Agreement and Plan and approved and consented to this Merger.

### ARTICLE V

#### GENERAL PROVISION

**5.1 Condition Precedent to Closing.** The following conditions must be satisfied prior to the closing of the Merger:

(a) appropriate approvals must be obtained from or notices filed with the Indiana Department of Financial Institutions and the Federal Deposit Insurance Corporation; and

(b) the Holding Company Merger must occur.

**5.2 Effective Time.** The Merger shall become effective immediately following the Holding Company Merger, or such later time as designated by First Merchants and otherwise approved by the Indiana Department of Financial Institutions and the Federal Deposit Insurance Corporation (the "Effective Time").

**5.3 Manner of Termination.** This Agreement and Plan and the transactions contemplated hereby may be terminated at any time prior to the Effective Time:

(a) by the mutual consent of FMB and the Bank; or

(b) automatically and without further action by either FMB or the Bank if the Merger Agreement is terminated for any reason.

5.4 **Effect of Termination.** Upon termination as provided in Section 5.3, this Agreement and Plan shall be void and of no further force or effect, and there shall be no obligation on the part of FMB or the Bank or their respective officers, directors, employees, agents, or shareholders, except for payment of their respective expenses in connection with this Agreement and Plan.

*[The remainder of this page was intentionally left blank.]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement and Plan by their respective officers duly authorized as of the date and year first above written.

**"FMB"**

**FIRST MERCHANTS BANK,**  
an Indiana state commercial bank,

ATTEST: \_\_\_\_\_  
Secretary/Cashier

By: /s/ Michael C. Rechin  
Printed: Michael C. Rechin  
Its: President and Chief Executive Officer

**"BANK"**

**MONROE BANK & TRUST,**  
an Michigan state commercial bank,

ATTEST: \_\_\_\_\_  
Secretary/Cashier

By: /s/ H. Douglas Chaffin  
Printed: H. Douglas Chaffin  
Its: President and Chief Executive Officer

**VOTING AGREEMENT**

THIS VOTING AGREEMENT (this "Agreement") is entered into this 9th day of October, 2018, by and among FIRST MERCHANTS CORPORATION, an Indiana corporation ("First Merchants"), and the undersigned shareholders or optionholders (each, a "Shareholder", and collectively, the "Shareholders") of MBT FINANCIAL CORP., a Michigan corporation ("MBT").

## WITNESSETH:

In consideration of the execution by First Merchants of the Agreement and Plan of Reorganization and Merger between First Merchants and MBT of even date herewith (the "Merger Agreement"), the undersigned Shareholders of MBT hereby agree that each of them shall cause all MBT common shares owned by him/her of record and beneficially, including, without limitation, all shares owned by him/her individually, all shares owned jointly by him/her and his/her spouse, all shares owned by any minor children (or any trust for their benefit), all shares owned by any business of which any of the Shareholders who are directors are the principal shareholders (but in each such case only to the extent the Shareholder has the right to vote or direct the voting of such shares), and specifically including all shares shown as owned directly or beneficially by each of them on Exhibit A attached hereto or acquired subsequently hereto (collectively, the "Shares"), to be voted in favor of the merger of MBT with and into First Merchants in accordance with and pursuant to the terms of the Merger Agreement at the annual or special meeting of shareholders of MBT called for that purpose. Notwithstanding any other provision of this Agreement to the contrary, each Shareholder shall be permitted to vote such Shares in favor of another Acquisition Proposal (as such term is defined in the Merger Agreement) that is submitted for approval by the shareholders of MBT if both of the following shall have occurred: (a) MBT's Board of Directors has approved such Acquisition Proposal and recommended such Acquisition Proposal to MBT's shareholders in accordance with Section 7.5 of the Merger Agreement and (b) the Merger Agreement has been terminated in accordance with Section 10.1(f) thereof.

Each of the Shareholders further agrees and covenants that he/she shall not sell, assign, transfer, dispose or otherwise convey, nor shall he/she cause, permit, authorize or approve the sale, assignment, transfer, disposition or other conveyance of, any of the Shares or any interest in the Shares to any other person, trust or entity (other than MBT) prior to the annual or special meeting of shareholders of MBT called for the purpose of voting on the Merger Agreement without the prior written consent of First Merchants, such consent not to be unreasonably withheld in the case of a gift or similar estate planning transaction (it being understood that First Merchants may decline to consent to any such transfer if the person acquiring such Shares does not agree to take such Shares subject to the terms of this Agreement).

This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to conflict of laws provisions thereof. This Agreement may be executed in counterparts, each of which (including any facsimile or Adobe PDF copy thereof) shall be deemed to be an original, but all of which shall constitute one and the same agreement. It is understood and agreed that Shareholders who execute this Agreement shall be bound hereby, irrespective of whether all Shareholders execute this Agreement. The obligations of each of the Shareholders under the terms of this Agreement shall terminate contemporaneously with the termination of the Merger Agreement.

Notwithstanding any other provision hereof, nothing in this Agreement shall be construed to prohibit a Shareholder, or any officer or affiliate of a Shareholder who is or has been designated a member of MBT's Board of Directors, from taking any action solely in his or her capacity as a member of MBT's Board of Directors or from exercising his or her fiduciary duties as a member of MBT's Board of Directors to the extent specifically permitted by the Merger Agreement.

*[Signatures appear on following pages.]*

IN WITNESS WHEREOF, First Merchants and each of the undersigned Shareholders of MBT have made and executed this Agreement as of the day and year first above written, and First Merchants has caused this Agreement to be executed by its duly authorized officer.

FIRST MERCHANTS CORPORATION

By: /s/ Michael C. Rechin  
Michael C. Rechin,  
President and Chief Executive Officer

SHAREHOLDERS

/s/ H. Douglass Chaffin  
H. Douglas Chaffin  
President, Chief Executive Officer  
and Director

/s/ John L. Skibski  
John L. Skibski  
Executive Vice President, Chief Financial  
Officer and Director

/s/ Kristine L. Barann  
Kristine L. Barann  
Director

/s/ Michael J. Miller  
Michael J. Miller  
Chairman, Board of Directors

/s/ Peter H. Carlton  
Peter H. Carlton  
Director

/s/ Tony Scavuzzo  
Tony Scavuzzo  
Director

/s/ Joseph S. Daly  
Joseph S. Daly  
Director

/s/ Debra J. Shah  
Debra J. Shah  
Director

/s/ James F. Deutsch  
James F. Deutsch  
Director

/s/ Joseph S. Vig  
Joseph S. Vig  
Director

Patriot Financial Partners

Castle Creek Capital Partners

By: /s/ James F. Deutsch

By: /s/ John Eggemeyer

James F. Deutsch  
(Printed Name)

John Eggemeyer  
(Printed Name)

Title: Partner

Title: Managing Director

**EXHIBIT A**  
**LISTING OF SHARES**

<b>Name</b>	<b>Shares</b>
H. DOUGLAS CHAFFIN	181,016
KRISTINE L. BARANN	7,629
PETER H. CARLTON	206,556
JOSEPH S. DALY	207,173
JAMES F. DEUTSCH	—
JOHN L. SKIBSKI	72,346
MICHAEL J. MILLER	227,314
TONY SCAVUZZO	—
DEBRA J. SHAH	124,272
JOSEPH S. VIG	12,629
PATRIOT FINANCIAL PARTNERS	2,060,302
CASTLE CREEK CAPITAL PARTNERS	1,876,423
<b>TOTAL</b>	<b>4,975,660</b>



N/E/W/S/R/E/L/E/A/S/E

October 10, 2018

FOR IMMEDIATE RELEASE

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For further information, contact:

Nicole M. Weaver, Vice President, Director of Investor Relations  
First Merchants Corporation - (765) 521-7619, [nweaver@firstmerchants.com](mailto:nweaver@firstmerchants.com)

H. Douglas Chaffin, President and Chief Executive Officer  
MBT Financial Corporation - (734) 384-8123, [doug.chaffin@monroe.bank](mailto:doug.chaffin@monroe.bank)

### **First Merchants Corporation and MBT Financial Corporation Announce the Signing of a Definitive Merger Agreement**

(MUNCIE, IN. and MONROE, MI, October 10, 2018) -- First Merchants Corporation (NASDAQ: FRME) and MBT Financial Corporation (NASDAQ: MBTF) today announced they have executed a definitive agreement whereby MBT Financial Corporation will merge with and into First Merchants Corporation in a 100% stock transaction valued at approximately \$290.9 million. Upon completion of the merger, Monroe Bank & Trust, will merge with and into First Merchants Bank.

Headquartered in Monroe, Michigan, MBTF operates 20 banking center locations in the southeastern Michigan area. Since its founding in 1858, Monroe Bank & Trust has grown to one of the largest community banks in Michigan. MBTF has total assets of \$1.3 billion, total loans of \$733 million, and total deposits of \$1.1 billion (96% of which are core) and also earned a 1.51% return on average assets and 16.59% return on tangible common equity for the three months ended June 30, 2018. Additionally, as of June 30, 2018, MBTF had approximately \$998 million of deposits in the Monroe, Michigan Metropolitan Statistical Area, ranking it first in deposit market share with approximately 50% of the market. MBTF's Wealth Planning & Advisory Group has the fifth largest trust/investment services group among all banks in Michigan, with assets under management in excess of \$700 million.

The merger agreement provides that shareholders of MBTF will have the right to receive 0.275 shares of First Merchants common stock for each share of MBTF common stock owned. Based on the closing price of First Merchants' common stock on October 9, 2018 of \$45.71 per share, the implied price of MBTF common stock is \$12.57 per share.

The transaction is expected to be completed in the first quarter of 2019, subject to the affirmative vote of MBTF shareholders, regulatory approvals, and other customary conditions. The combined company, doing business as First Merchants Bank, expects to complete its integration during the third quarter of 2019.

First Merchants and MBTF will have combined assets of approximately \$11 billion and will be the second largest financial holding company headquartered in Indiana. The combined company will have 134 banking offices in thirty-one Indiana counties, as well as two counties each in Michigan, Ohio and Illinois.

Michael C. Rechin, President and Chief Executive Officer of First Merchants, said, "Like First Merchants, Monroe Bank & Trust has a long history and a deep-rooted commitment to community banking and we are excited they have chosen to become the newest member of the First Merchants family. The MBTF franchise opens an entirely new contiguous banking market for us with a high-quality and prudently managed 160 year old institution. We believe that our strategy to be a service-driven alternative to our super-regional bank competitors will support the acceleration of Monroe Bank & Trust's current initiatives while furthering our goal of growing as a high-performing company."

Rechin added, "We expect this combination to be mutually beneficial to First Merchants and MBTF shareholders. We anticipate earnings per share accretion of approximately 2.7% in 2020 resulting in a tangible book value earnback of 3.3 years."

In First Merchants Bank's newly acquired market, the executive team will include Monroe Bank & Trust President and CEO, H. Douglas Chaffin; Wayne County President and Strategic Support Director, Scott McKelvey; Chief Lending Manager and Sales Director, Thomas Myers; and Wealth Planning, Advisory and Mentorship Director, Audrey Mistor. Mr. Chaffin will assume the role of Regional President.

Mr. Chaffin stated, "We believe our partnership with First Merchants will provide tremendous benefits to our customers, shareholders and communities as we look forward to continuing the legacy of exceptional customer service, local responsiveness and strong community engagement that has defined Monroe Bank & Trust for 160 years."

Keefe, Bruyette & Woods, a *Stifel Company*, served as the financial advisor to First Merchants and legal advisor was Bingham Greenebaum Doll LLP.

Sandler O'Neill + Partners, L.P. and Donnelly Penman & Partners served as financial advisor to MBTF in this transaction and Shumaker, Loop & Kendrick, LLP served as legal advisor to MBTF.

#### CONFERENCE CALL

First Merchants Corporation will conduct a conference call and web cast to discuss the pending acquisition of MBTF at 10:30 a.m. (ET) on Wednesday, October 10, 2018.

To participate, dial (Toll Free) 877-507-0578 and reference First Merchants Corporation's October 10<sup>th</sup> Conference Call. International callers please call +1 412-317-1073.

In order to view the webcast and presentation slides, please go to <https://services.choruscall.com/links/frme181010.html> during the time of the call.

#### Additional Information

Communications in this press release do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed merger will be submitted to MBT Financial Corporation. shareholders for their consideration. In connection with the proposed merger, it is expected that MBT Financial Corporation will provide its shareholders with a Proxy Statement, as well as other relevant documents concerning the proposed transaction. **SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS CONCERNING THE PROPOSED TRANSACTION, TOGETHER WITH ALL AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION.**

MBT Financial Corporation and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of MBT Financial Corporation in connection with the proposed

merger. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement regarding the proposed merger when it becomes available.

### Forward Looking Statement

This press release contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the proposed merger (the “Merger”) between First Merchants Corporation (“First Merchants”) and MBT Financial Corporation, including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of First Merchants’ goals, intentions and expectations; statements regarding the First Merchants’ business plan and growth strategies; statements regarding the asset quality of First Merchants’ loan and investment portfolios; and estimates of First Merchants’ risks and future costs and benefits, whether with respect to the Merger or otherwise. These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of First Merchants and MBT Financial Corporation will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the ability to obtain required governmental and shareholder approvals, and the ability to complete the Merger on the expected timeframe; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like First Merchants’ affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with the First Merchants’ business; and other risks and factors identified in each of First Merchants’ filings with the Securities and Exchange Commission. Neither First Merchants nor MBT Financial Corporation undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation or press release. In addition, First Merchants’ and MBT Financial Corporation’s past results of operations do not necessarily indicate either of their anticipated future results, whether the Merger is effectuated or not.

Merger with MBT Financial Corporation



# Forward-Looking Statements

This presentation contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to First Merchants’ goals, intentions and expectations; statements regarding the First Merchants’ business plan and growth strategies; statements regarding the asset quality of First Merchants’ loan and investment portfolios; and estimates of First Merchants’ risks and future costs and benefits. These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of First Merchants to integrate recent acquisitions and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the credit worthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like First Merchants’ affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with the First Merchants’ business; and other risks and factors identified in each of First Merchants’ filings with the Securities and Exchange Commission. First Merchants undertakes no obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this presentation or press release. In addition, the company’s past results of operations do not necessarily indicate its anticipated future results.

## **NON-GAAP FINANCIAL MEASURES**

These slides contain non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of the registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. In this regard, GAAP refers to generally accepted accounting principles in the United States. Pursuant to the requirements of Regulation G, First Merchants Corporation has provided reconciliations within the slides, as necessary, of the non-GAAP financial measure to the most directly comparable GAAP financial measure.



# Additional Information

Communications in this press release do not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy vote or approval. The proposed merger will be submitted to MBT Financial Corporation shareholders for their consideration. In connection with the proposed merger, it is expected that MBT Financial Corporation will provide its shareholders with a Proxy Statement, as well as other relevant documents concerning the proposed transaction. **SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT REGARDING THE MERGER WHEN IT BECOMES AVAILABLE, AS WELL AS ANY OTHER RELEVANT DOCUMENTS CONCERNING THE PROPOSED TRANSACTION, TOGETHER WITH ALL AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, AS THEY WILL CONTAIN IMPORTANT INFORMATION.**

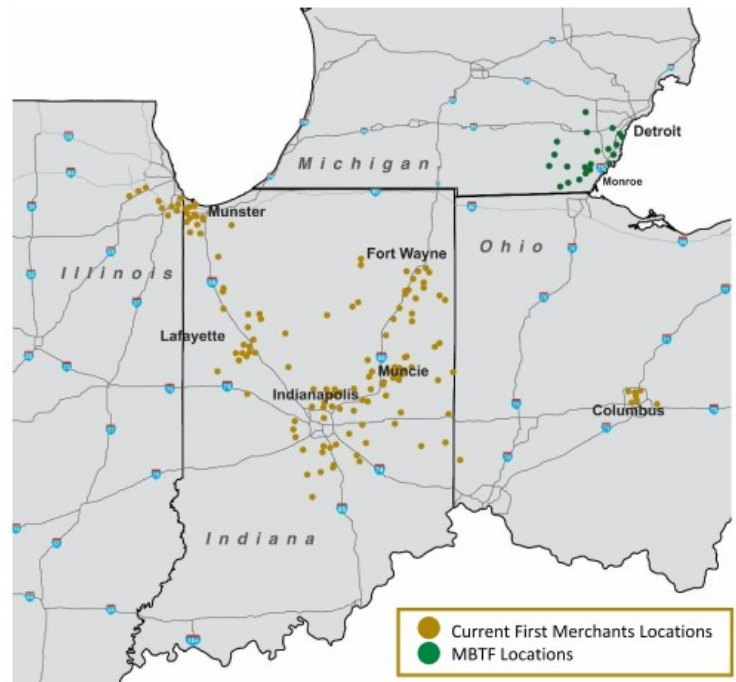
MBT Financial Corporation and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of MBT Financial Corporation in connection with the proposed merger. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Proxy Statement regarding the proposed merger when it becomes available.



# A Leading Midwest Banking Franchise

## *Crossing \$10 Billion with Strategic Entry into Michigan*

Pro Forma Highlights <sup>1</sup>	
Ticker:	FRME
Headquarters:	Muncie, IN
Founded:	1893
Banking Centers:	134
Assets:	\$11.1 Billion
Loans:	\$7.8 Billion
Deposits:	\$8.7 Billion



<sup>1</sup>Balance sheet figures as of 6/30/18 and do not include any merger related adjustments





# Transaction Highlights

## Strategically Compelling

- Entry into attractive Michigan markets, scalable franchise \$1.3 billion in assets and a #1 deposit market share ranking in the Monroe, Michigan MSA
- Capacity to fund future growth with low cost, low deposit beta franchise
- Advances long-term performance goals through enhanced operating leverage and efficiency
- Complementary business models and cultures

## Financially Attractive

- Efficiently crosses \$10 billion in assets with positive operating leverage
- 2.7% accretive to 2020 consensus earnings per share
- 2.5% TBV dilution at closing, inclusive of all transaction expenses, with an earnback of approximately 3.3 years using the crossover method
- Regulatory capital remains above well-capitalized threshold

## Attractive Risk Profile

- Completed comprehensive due diligence process
- Strong cultural fit among management, with retention of key management, including Doug Chaffin (MBT CEO), Scott McKelvey, Tom Myers, and Audrey Mistor in leadership roles
- Experienced acquirer, core competency in integration processes
- Well prepared to cross the \$10 billion asset threshold; FRME has been proactively planning for the regulatory requirements and costs for several years



# Transaction Summary

Buyer	First Merchants Corporation ("FRME")
Seller	MBT Financial Corporation ("MBTF")
Consideration	100% stock 0.275 shares of FRME common stock for each share of MBTF common stock
Transaction Value <sup>1</sup>	\$290.9 million in aggregate \$12.57 per share
Transaction Multiples <sup>1</sup>	240% of tangible book value per share 14.8x 2019E consensus earnings per share
Pro Forma Ownership	~89% FRME / ~11% MBTF
Board Representation	One existing MBTF board member to join the FRME corporate board
Approvals & Closing	MBTF shareholder approval and customary regulatory approvals 1 <sup>st</sup> Quarter 2019 expected closing

<sup>1</sup>Based upon an FRME closing stock price of \$45.71 as of October 9, 2018. Aggregate deal value inclusive of SOSARs and RSUs.

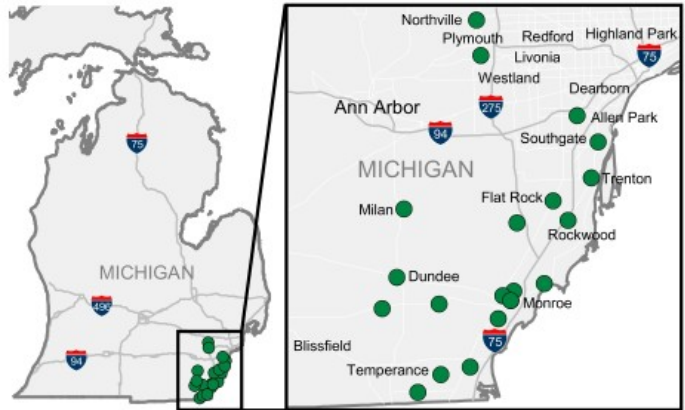


# Overview of MBT Financial Corporation

## Company Highlights

- Headquartered in Monroe, Michigan
- Founded in 1858
- Operates 20 Banking Centers
- Balance Sheet as of June 30, 2018
  - Assets: \$1.3 Billion
  - Loans: \$741 Million
  - Deposits: \$1.1 Billion (89% non-maturity)
  - Loans / Deposits: 65%
  - 9.10% TCE/TA
  - 0.91% NPAs/Assets
- Income Statement for the quarter ending June 30, 2018
  - ROAA: 1.51% / ROATCE: 16.59%
  - Efficiency Ratio: 61.8%
  - Net Interest Margin: 3.63%
  - Cost of Interest Bearing Deposits: 0.18%

## Geographic Footprint



## Deposit Market Share by County

County	Market Rank	Branches	Deposits (\$000)	Mkt. Share (%)	% of Franchise
Monroe, MI	1	15*	\$998,139	50.1%	86.9%
Wayne, MI	14	6	\$150,913	0.3%	13.1%

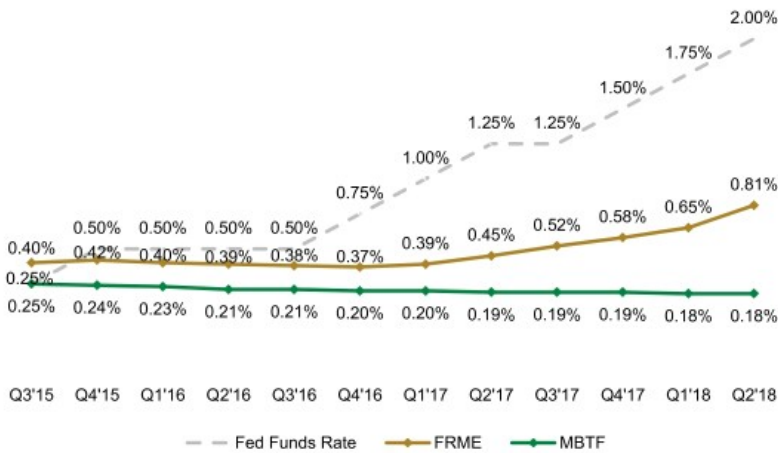
Source: S&P Global Market Intelligence and FDIC Summary of Deposits as of June 30, 2018.  
\*Includes one non-banking center



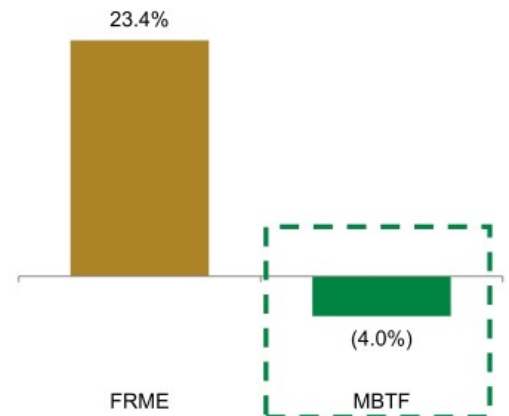
# High Quality, Low Cost Deposit Base

- MBTF's cost of total deposits has trended downward despite an increasing rate environment
  - 7 bps decrease in Interest Bearing Deposits costs versus a 175 bps increase in the Fed Funds rate this cycle
  - 5<sup>th</sup> lowest cost of interest-bearing deposits among 116 Midwest banks between \$1.0 and \$3.0B in assets<sup>1</sup>
  - Negative deposit beta of (4.0%)<sup>2</sup> since the third quarter of 2015
- Positioned for growth with a 65% loan-to-deposit ratio as of June 30, 2018

**Cost of Interest-Bearing Deposits vs. Fed Funds**



**Q3'15 – Q2'18 Deposit Beta<sup>2</sup>**



<sup>1</sup>Rank based on most recent quarter data per S&P Global Market Intelligence for banks and savings banks headquartered in the Midwest, excluding merger targets  
<sup>2</sup>Deposit beta calculated as change in cost of interest-bearing deposits over change in Federal Funds rate. MBTF Cost of Interest Bearing Deposits calculated using consolidated regulatory data as of June 30, 2018.

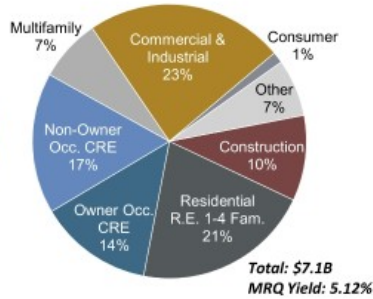


# Pro Forma Loans & Deposits

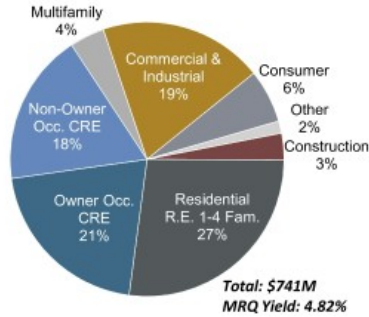
*MBTF's Low-Cost Deposit Base Complements Our Franchise*

## Diversified Combined Loan Portfolio

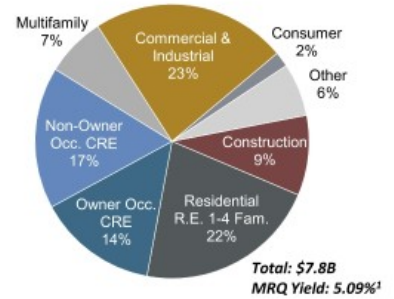
**FRME**



**MBTF**

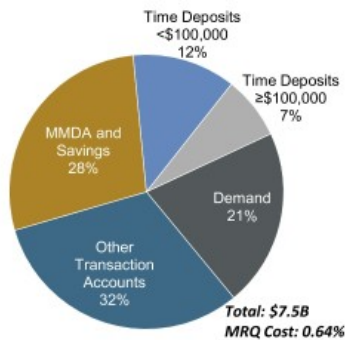


**Pro Forma**

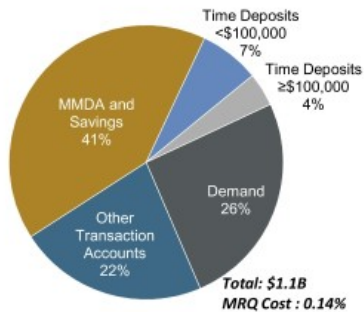


## Strong Core Deposit Base

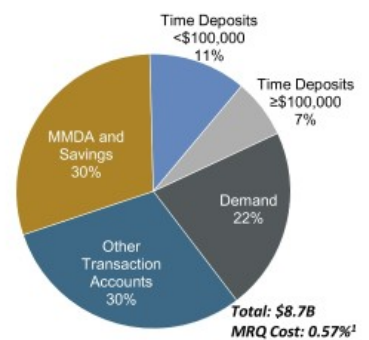
**FRME**



**MBTF**



**Pro Forma**



Note: Loan and deposit compositions reflect consolidated regulatory data as of June 30, 2018  
<sup>1</sup> Calculated as the weighted average of the total yield or cost



# Summary Financial Impact & Assumptions

## Financial Impact

- 2.7% EPS accretion for 2020 (with fully phased cost savings)
- 2.5% TBV dilution at closing, inclusive of all transaction costs, with an earnback of approximately 3.3 years using the crossover method<sup>1</sup>
- ~9.6% tangible common equity / tangible assets estimated at closing
- ~ 14.0% total risk based capital ratio estimated at closing

## Key Transaction Assumptions

- Cost savings of 30%, 50% phased-in during 2019 and 100% thereafter
- Loan credit mark of ~2.0%, or \$14.5 million pre-tax
- Loan interest rate mark of ~1.0%, or \$7.1 million pre-tax, accreted over 4.0 years
- Deposit interest rate mark of ~1.0%, or \$1.4 million pre-tax, amortized over 16 months
- Core deposit intangible of ~1.94%, amortized over 10 years using sum of years' digits
- One-time, pre-tax transaction costs of \$24.5 million (combined buyer & seller), assumed 100% at the time of transaction closing
- No revenue enhancements modeled

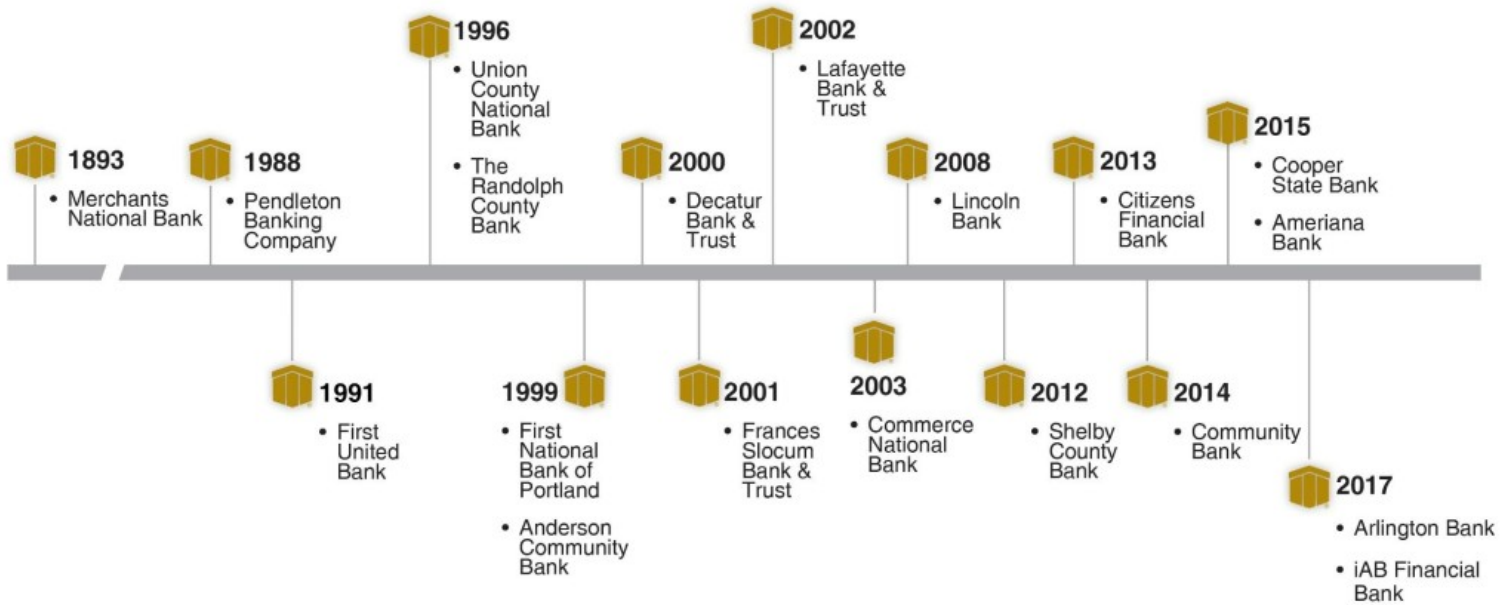
## Crossing \$10B Threshold

- Assets will be maintained below \$10 billion through year-end 2018
- Anticipated Durbin amendment to be effective July 2020 – annualized pre-tax impact of \$4.5 million for FRME and \$930 thousand pre-tax for MBTF
- We have been investing for several years in people, systems and processes

<sup>1</sup>Based on when pro forma tangible book value per share crosses over and begins to exceed projected standalone FRME tangible book value per share. Inclusive of all transaction costs.



# Track Record of Growth & Successful Integrations



## Summary

- ✓ Creates a leading Midwest franchise with assets of \$11 billion and an attractive upside
- ✓ High quality acquisition with a strong deposit mix, low-cost core funding and a 65% Loan/Deposit ratio
- ✓ Efficiency and scale are expected to result in improved operating leverage and offset the cost of crossing over the \$10 billion threshold
- ✓ First Merchants 8<sup>th</sup> acquisition since 2012
- ✓ Retention of CEO and key business development team to expand franchise value
- ✓ Financially and strategically accretive to our franchise
- ✓ Positions First Merchants for continued growth





