

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): February 5, 2020

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)

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.125 state value per share	FRME	Nasdaq Global Select Market

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 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(e) On February 5, 2020, the Board of Directors (the "Board") of First Merchants Corporation (the "Corporation") adopted the Corporation's 2020 Senior Management Incentive Compensation Program (the "SMICP"), a non-equity incentive compensation plan, applicable to the Corporation's named executive officers and other senior management employees. Under the SMICP, the Board established the following schedule for the Corporation's named executive officers, setting forth the percentage of base salary that will be paid if the executive's goals are met or exceeded.

Executive	Potential SMICP Cash Payment as Percentage of 2020 Base Salary at the Following Performance Levels		
	Threshold	Target	Maximum
Michael C. Rechin, President and Chief Executive Officer	30.0%	60.0%	120.0%
Mark K. Hardwick, Executive Vice President and Chief Financial Officer and Chief Operating Officer	22.5%	45.0%	90.0%
Michael J. Stewart, Executive Vice President and Chief Banking Officer	22.5%	45.0%	90.0%
John J. Martin, Executive Vice President and Chief Credit Officer	20.0%	40.0%	80.0%
Stephan H. Fluhler, Senior Vice President, Chief Information Officer	20.0%	40.0%	80.0%

The Board determined that the goal for each of Messrs. Rechin, Hardwick, Stewart and Martin will be the Corporation's operating earnings, calculated on a diluted GAAP basis. Due to the nature of his responsibilities, Mr. Fluhler's performance payment will be based 70% on the Corporation's operating earnings and 30% on the Corporation's consolidated efficiency ratio (defined as noninterest expense, excluding foreclosed property expense and amortization of intangibles, as a percent of the sum of tax equivalent net interest income and noninterest income, excluding security gains and nonrecurring items) with certain reduced threshold, target and maximum payment percentages being applicable to the efficiency ratio metric. In all cases, a minimum threshold (below which participants do not receive payments), a target amount and a maximum amount was set by the Board for each goal.

Following the end of the fiscal year, the Compensation and Human Resources Committee of the Board will approve the payouts under the SMICP. Credit is given proportionately for performance falling between the threshold and maximum levels, but is not given for performance that is not at least at the threshold level, or for that portion of performance that exceeds the maximum level. Participants must be employed when the payments are made, except in the case of death, disability or retirement, to be eligible for a payment under the program. The SMICP has a "clawback" provision that provides for recovery of any payment made to a participant who is an executive officer if the payment is based on a materially inaccurate financial statement.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the SMICP, which is incorporated herein by reference as Exhibit 10.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	First Merchants Corporation Senior Management Incentive Compensation Program, dated February 5, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: February 11, 2020

FIRST MERCHANTS CORPORATION

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

EXHIBIT-10.1

**First Merchants Corporation
Senior Management Incentive
Compensation Program
Approved February 5, 2020**

I. Purpose

The Board of Directors of First Merchants Corporation (FMC) has established an executive compensation program, which is designed to closely align the interests of executives with those of our shareholders by rewarding senior managers for achieving short-term and long-term strategic management and earnings goals, with the ultimate objective of obtaining a superior return on the shareholders' investment.

II. Administration

This plan will be administered solely by the Compensation and Human Resources Committee (Committee) of FMC, with supporting documentation and recommendations provided by the Chief Executive Officer (CEO) of FMC. The Committee will annually review the targets for applicability and competitiveness.

The Committee will have the authority to: (a) modify the formal plan document; (b) make the final award determinations; (c) set conditions for eligibility and awards; (d) define extraordinary accounting events in calculating earnings; (e) establish future payout schedules; (f) determine circumstances/causes for which payouts can be withheld; and (g) abolish the plan. No payout will be earned unless and until it is formally approved by the Committee.

Any award or payout made to a participant who is an "executive officer" of First Merchants Corporation, as defined in Rule 3b-7 under the Securities Exchange Act of 1934, is subject to recovery or "clawback" by First Merchants Corporation if the award or payout was based on materially inaccurate financial statements (which includes, but is not limited to, statements of earnings, revenues or gains) or any other materially inaccurate performance metric criteria. The Committee will determine whether a financial statement or performance metric criteria is materially inaccurate based on all the facts and circumstances.

III. Covered Individuals by Officer Level/Role

- A. President and Chief Executive Officer of FMC;
- B. Executive Vice Presidents;
- C. Executive Officers, Non-Bank Presidents and Regional Presidents;
- D. Selected Senior Leadership
- E. Department Heads, Division Heads and Other Management Leadership

In order to receive an award, a participant must be employed at the time of the award except for conditions of death, disability or retirement.

Participants will be disqualified if their individual overall performance is rated unsatisfactory; that is, either "improvement needed" or "unacceptable." Additional disqualifiers will be added based on the position, role and level of influence on results.

Participant lists will be reviewed annually by the Committee.

IV. Implementation Parameters

- A. The FMC CEO and EVP earnings component payouts will be determined by FMC EPS calculated on a diluted GAAP basis.
- B. Payouts to participants on their respective region or line of business will be based on their actual results as compared to plan.
- C. When utilized, balanced scorecards will be tailored to each unit incorporating a specific weighting on various operating initiatives as set by the CEO, EVPs and SVP of HR. Balanced scorecard metrics are shown in Exhibit 1.

V. Plan Structure

All payouts will be determined from the schedule as shown in Exhibit 1. Participants will be notified in writing at the beginning of the plan year which metrics will be reflected in their respective balanced scorecard.