



**FIRST BANCSHARES, INC.**  
**142 East First Street**  
**Mountain Grove, Missouri 65711**

March 20, 2017

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of First Bancshares, Inc., to be held on Friday, April 21, 2017 at 1:00 p.m., Central Time, at the DoubleTree Hotel located at 2431 N. Glenstone, Springfield, Missouri.

The Notice of Annual Meeting of Shareholders and Proxy Statement appearing on the following pages describe the formal business to be transacted at the meeting. During the meeting, we will also report on our operations and respond to appropriate questions from shareholders.

I, along with the other members of the Board of Directors, look forward to greeting you personally at the annual meeting. However, whether or not you plan to attend personally and regardless of the number of shares you own, it is important that your shares be represented. **You are urged to promptly sign, date and mail the enclosed proxy in the postage-paid envelope provided for your convenience or vote by telephone or over the Internet.** This will not prevent you from voting in person at the meeting but will assure that your vote is counted if you are unable to attend.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Bradley Weaver', written in a cursive style.

R. Bradley Weaver  
Chairman, President and Chief Executive Officer

**This Page Intentionally Left Blank**

**FIRST BANCSHARES, INC.**  
**142 East First Street**  
**Mountain Grove, Missouri 65711**  
**Telephone: (417) 926-5151**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FRIDAY, APRIL 21, 2017**

Notice is hereby given that the annual meeting of shareholders of First Bancshares, Inc. will be held on Friday, April 21, 2017 at 1:00 p.m., Central Time, at the DoubleTree Hotel located at 2431 N. Glenstone, Springfield, Missouri, for the following purposes:

- Proposal 1: The election of three directors to each serve for a three year term.
- Proposal 2: The ratification of the Audit Committee's appointment of RSM US LLP as our independent auditor for the year ending December 31, 2017.
- Proposal 3: Amendment of the Articles of Incorporation to remove the limitation on the voting rights of owners of more than ten percent of the outstanding common stock.

We will also consider and act upon such other matters as may properly come before the meeting or any adjournments or postponements thereof. As of the date of this notice, we are not aware of any other business to come before the meeting.

The Board of Directors has fixed the close of business on March 13, 2017 as the record date for the annual meeting. This means that shareholders of record at the close of business on that date are entitled to receive notice of, and to vote at, the meeting and any adjournment thereof.

By Order of the Board of Directors



SHANNON PETERSON  
Secretary

Mountain Grove, Missouri  
March 20, 2017

**YOUR VOTE IS IMPORTANT**

**Whether or not you plan to attend the annual meeting in person, you are requested to complete, date, sign and return the enclosed proxy card in the envelope provided, which requires no postage if mailed in the United States. Alternatively, you may vote by telephone or over the Internet, following the instructions on the proxy card. If you attend the annual meeting, you may vote in person if you wish, even if you have previously voted.**

**This Page Intentionally Left Blank**

**PROXY STATEMENT  
OF  
FIRST BANCSHARES, INC.  
142 East First Street  
Mountain Grove, Missouri 65711  
Telephone: (417) 926-5151**

---

**ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON APRIL 21, 2017**

---

The Board of Directors of First Bancshares, Inc. is using this proxy statement to solicit proxies from our shareholders for use at the annual meeting of shareholders. We are first mailing this proxy statement and the enclosed form of proxy to our shareholders on or about March 20, 2017.

The information provided in this proxy statement relates to First Bancshares, Inc. and its wholly-owned subsidiary, First Home Bank. First Bancshares, Inc. may also be referred to as "First Bancshares" and First Home Bank may also be referred to as the "Bank." References to "we," "us" and "our" refer to First Bancshares and, as the context requires, First Home Bank.

---

**INFORMATION ABOUT THE ANNUAL MEETING**

---

**Date, Time and Place of Annual Meeting**

Our annual meeting of shareholders will be held as follows:

Date: Friday, April 21, 2017  
Time: 1:00 p.m., Central Time  
Place: DoubleTree Hotel located at 2431 N. Glenstone,  
Springfield, Missouri 65803

**Matters to Be Considered at the Annual Meeting**

At the meeting, you will be asked to consider and vote upon the following proposals:

Proposal 1: The election of three directors to each serve for a three year term.

Proposal 2: The ratification of the Audit Committee's appointment of RSM US LLP as our independent auditor for the year ending December 31, 2017.

Proposal 3: Amendment of Articles of Incorporation to remove the limitation on the voting rights of owners of more than ten percent of the outstanding common stock.

We also will transact any other business that may properly come before the annual meeting. As of the date of this proxy statement, we are not aware of any other business to be presented for consideration at the annual meeting other than the matters described in this proxy statement.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on April 21, 2017**

**Our Proxy Statement and Annual Report to Shareholders are available at [www.fhsb.com](http://www.fhsb.com).** The following materials are available for review:

- Proxy Statement;
- Proxy card; and
- Annual Report to Shareholders.

Directions to attend the annual meeting, where you may vote in person, can be found online at [www.fhsb.com](http://www.fhsb.com).

### **Who is Entitled to Vote?**

You may vote at the annual meeting if you were the record owner of shares of our common stock at the close of business on March 13, 2017, which has been set as the record date. At the close of business on the record date, there were 1,548,740 outstanding shares of our common stock, par value of \$.01 per share. You are entitled to one vote for each share of First Bancshares common stock you own, unless you own more than 10% of First Bancshares' outstanding shares. As provided in our Articles of Incorporation, record holders of common stock who beneficially own in excess of 10% of First Bancshares' outstanding shares are not entitled to any vote in respect of the shares held in excess of the 10% limit. The removal of this limitation is the subject of Proposal 3.

### **How Do I Vote at the Annual Meeting?**

Proxies are solicited to provide all shareholders of record on the voting record date an opportunity to vote on matters scheduled for the annual meeting and described in these materials. You are a shareholder of record if your shares of First Bancshares' common stock are held in your name. If you are a beneficial owner of First Bancshares common stock held by a broker, bank or other nominee (*i.e.*, in "street name"), please see the instructions in the following question.

Shares of First Bancshares' common stock can only be voted if the shareholder is present in person or by proxy at the annual meeting. To ensure your representation at the annual meeting, we recommend you vote by proxy even if you plan to attend the annual meeting. You can always change your vote at the meeting if you are a shareholder of record.

Voting instructions are included on your proxy card. You may vote by returning the proxy card by mail or by following the instructions on the proxy card for voting by telephone or over the Internet. Shares of First Bancshares' common stock represented by properly executed proxies will be voted by the individuals named on the proxy card in accordance with the shareholder's instructions. Where properly executed proxies are returned to us with no specific instruction as how to vote at the annual meeting, the persons named in the proxy will vote the shares FOR the election of each of our director nominees, FOR the ratification of the appointment of RSM US LLP as our independent auditor and FOR the proposal to amend the Articles of Incorporation to remove the limitation on the voting rights of owners of more than ten percent of the outstanding common stock. If any other matters are properly presented at the annual meeting for action, the persons named in the enclosed proxy and acting thereunder will have the discretion to vote on these matters in accordance with their best judgment. We do not currently expect that any other matters will be properly presented for action at the annual meeting.

You may receive more than one proxy card depending on how your shares are held. For example, you may hold some of your shares individually, some jointly with your spouse and some in trust for your children. In this case, you will receive three separate proxy cards to vote.

### **What if My Shares Are Held in Street Name?**

If you are the beneficial owner of shares held in street name by a broker, your broker, as the record holder of the shares, is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, your broker may nevertheless vote the shares with respect to discretionary items, but will not be permitted to vote your shares with respect to non-discretionary items, pursuant to current industry practice. In the case of non-discretionary items, shares not voted are treated as "broker non-votes." The proposals to elect directors and the proposed amendment to the Articles of Incorporation described in this proxy statement are considered a non-discretionary items; therefore, you must provide instructions to your broker in order to have your shares voted in the election of directors and the amendment to the Articles of Incorporation.

If your shares are held in street name, you will need proof of ownership to be admitted to the annual meeting. A recent brokerage statement or letter from the record holder of your shares are examples of proof of ownership. If you want to vote your shares of common stock held in street name in person at the annual meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

## **How Will My Shares of Common Stock Held in the Employee Stock Ownership and 401(k) Plan Be Voted?**

We maintain an employee stock ownership and 401(k) plan for the benefit of our employees. If you participate in the employee stock ownership and 401(k) plan, the proxy card represents a voting instruction to the trustees of the plan as to the number of shares in your plan account. If a plan participant properly and timely executes the proxy card, the employee stock ownership and 401(k) plan trustees will vote the participant's shares in accordance with the participant's instructions. Unallocated shares of First Bancshares common stock held by the employee stock ownership and 401(k) plan will be voted by trustees in the same proportion as shares for which the trustees have received properly and timely voting instructions. Allocated shares for which voting instructions are not timely or properly executed will be voted in such a manner as determined by the plan administrator.

## **How Many Shares Must Be Present to Hold the Meeting?**

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of at least a majority of the shares of First Bancshares common stock entitled to vote at the annual meeting as of the record date will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

## **What if a Quorum Is Not Present at the Meeting?**

If a quorum is not present at the scheduled time of the annual meeting, a majority of the shareholders present or represented by proxy may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given unless the meeting is adjourned for more than 90 days. An adjournment will have no effect on the business that may be conducted at the meeting.

## **Vote Required for Approval of Proposal 1: Election of Directors**

Directors are elected by a plurality of the votes cast, in person or by proxy, at the annual meeting by holders of First Bancshares common stock. Accordingly, the three nominees for election as directors who receive the highest number of votes actually cast will be elected. Pursuant to our Articles of Incorporation, shareholders are not permitted to cumulate their votes for the election of directors. Votes may be cast for or withheld from each nominee. Votes that are withheld and broker non-votes will have no effect on the outcome of the election because the three nominees receiving the greatest number of votes will be elected. **Our Board of Directors unanimously recommends that you vote FOR the election of each of its director nominees.**

## **Vote Required for Approval of Proposal 2: Ratification of Appointment of Independent Auditor**

Ratification of the Audit Committee's appointment of RSM US LLP as our independent auditor for the year ending December 31, 2017 requires the affirmative vote of the majority of the shares of First Bancshares common stock present, in person or by proxy, at the annual meeting by holders of First Bancshares common stock. Abstentions are not affirmative votes and, therefore, will have the same effect as a vote against the proposal. Broker non-votes will have no effect on the proposal. **Our Board of Directors unanimously recommends that you vote FOR the proposal to ratify the appointment of RSM US LLP as our independent auditor for the year ending December 31, 2017.**

## **Vote Required for Approval of Proposal 3: Proposed Amendment to the Articles of Incorporation to Remove the Provision Limiting the Voting Rights of Owners of More than Ten Percent of the Outstanding Common Stock**

The approval of the proposed amendment to the Articles of Incorporation to remove the provision limiting the voting rights of owners of more than ten percent of the outstanding common stock requires the affirmative vote of a majority of the outstanding shares entitled to vote at the annual meeting by holders of First Bancshares' common stock. Abstentions and broker non-votes will have the same effect as a vote against the proposal. **Our Board of Directors unanimously recommends that you vote FOR the amendment to the Articles of Incorporation to eliminate this limitation on voting rights.**

## Voting and Revocation of Proxies

You may vote your shares in person by attending the annual meeting, or by mailing us your completed proxy or voting by telephone or over the Internet if you are unable or do not wish to attend. If a proxy card is submitted without instructions, the proxies will be voted FOR the director nominees, FOR the ratification of the appointment of RSM US LLP as our independent auditor for the year ending December 31, 2017 and FOR the proposal to amend the Articles of Incorporation to remove the limitation on the voting rights of owners of more than ten percent of the outstanding common stock.

You can revoke your proxy at any time before the vote is taken at the annual meeting by filing an instrument of revocation with Shannon Peterson, Secretary, First Bancshares, Inc., 142 East First Street, Mountain Grove, Missouri 65711. You may also revoke your proxy by filing a duly executed proxy bearing a later date, by entering a new vote by telephone or over the Internet or by appearing at the annual meeting in person, notifying the Secretary, and voting by ballot at the annual meeting. Any shareholder of record attending the annual meeting may vote in person whether or not a proxy has been previously given, but the mere presence (without notifying the Secretary) of a shareholder at the annual meeting will not constitute revocation of a previously given proxy.

If your shares are held in street name and you wish to change your voting instructions after you have returned your voting instruction form to your broker or bank, you must contact your broker or bank.

---

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

---

The following table sets forth, as of March 13, 2017, the voting record date, information regarding share ownership of: (1) those persons or entities (or groups of affiliated person or entities) known by management to beneficially own more than five percent of First Bancshares common stock other than directors and executive officers; (2) each director and executive officer of First Bancshares; and (3) all directors and executive officers of First Bancshares and First Home Bank as a group.

The table below includes shares owned by spouses, other immediate family members in trust, shares held in retirement accounts or funds for the benefit of the named individuals, and other forms of ownership, over which shares the persons named in the table may possess voting and/or investment power. In addition, in computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to outstanding options that are currently exercisable or exercisable within 60 days after March 13, 2017 are included in the number of shares beneficially owned by the person and are deemed outstanding for the purpose of calculating the person's percentage ownership. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

<i>Name</i>	<i>Number of Shares Beneficially Owned (1)</i>	<i>Percent of Common Stock Outstanding (%)</i>
<b>Beneficial Owners of More Than 5%</b>		
Mark E. Gardner(2)	201,254 (3)	13.0%
Bradley M. Segebarth(2)	104,533 (4)	6.7
<b>Directors</b>		
D. Mitch Ashlock	5,200	*
R.J. Breidenthal, Jr.	33,745 (5)	2.2
Billy E. Hixon	--	*
John G. Moody	8,100 (6)	*
Robert M. Alexander(7)	55,076	3.6
Thomas M. Sutherland	13,964 (8)	1.0



<i>Name</i>	<i>Number of Shares Beneficially Owned (1)</i>	<i>Percent of Common Stock Outstanding (%)</i>
<b>Executive Officers</b>		
R. Bradley Weaver(2)	21,225 (9)	1.4
Joseph E. James	17,297 (10)	1.1
Jeffrey C. Palmer	2,190 (11)	*
All Executive Officers and Directors as a Group (12 persons)	462,584	29.9%

\* Less than 1%.

- (1) The amounts shown include the following number of shares which the indicated individuals have the right to acquire within 60 days of the close of business on March 13, 2017 through the exercise of stock options granted pursuant to our stock option plan:
- (2) Also a director of the Company.
- (3) Includes 155,028 shares held jointly with his wife.
- (4) Includes 104,533 shares held jointly with his wife.
- (5) Includes 6,000 shares held jointly with his children.
- (6) Includes 5,100 shares held jointly with his wife.
- (7) Includes 29,743 shares held in his individual retirement account and 25,333 shares held by Paragon LLC. He is the managing member of Paragon LLC.
- (8) Includes 1,006 shares held in his wife's individual retirement account.
- (9) Includes 15,100 shares held jointly with his wife.
- (10) Includes 15,500 shares held jointly with his wife.
- (11) Includes 1,700 shares held jointly with his wife.

---

### PROPOSAL 1 - ELECTION OF DIRECTORS

---

Our Board of Directors consists of nine members and is divided into three classes as nearly equal in number as possible. Approximately one-third of the directors are elected annually to serve for a three-year period or until their respective successors are elected and qualified. The Nominating Committee of the Board of Directors selects nominees for election as directors and has nominated for election as directors Thomas M. Sutherland, D. Mitch Ashlock and Bradley M. Segebarth, each to serve for a three-year term or until their respective successors have been elected and qualified. Each of our nominees currently serve as directors and each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority. At this time, we are not aware of any reason why a nominee might be unable to serve if elected.

**The Board of Directors recommends a vote FOR the election of Thomas M. Sutherland, D. Mitch Ashlock and Bradley M. Segebarth each for a three-year term.**

<u>Name</u>	<u>Age as of December 31, 2016</u>	<u>Year First Appointed Director</u>	<u>Director Class</u>	<u>Year Term Expires</u>
-------------	--	--	---------------------------	------------------------------

**BOARD NOMINEES**

Thomas M. Sutherland	65	2004	III	2020(1)
D. Mitch Ashlock	59	2006	III	2020(1)
Bradley M. Segebarth	53	2014	III	2020(1)

**DIRECTORS CONTINUING IN OFFICE**

R.J. Breidenthal, Jr.	69	2008	I	2018
Mark E. Gardner	63	2014	I	2018
Robert M. Alexander	53	2015	I	2018
Billy E. Hixon	69	2005	II	2019
John G. Moody	64	1993 (2)	II	2019
R. Bradley Weaver	61	2011	II	2019

(1) Assuming election at the annual meeting.

(2) Includes prior service on the Board of Directors of First Home Bank.

Set forth below is the principal occupation of each nominee for director and each director continuing in office, as well as a brief description of the qualifications, attributes, skills and areas of expertise of each nominee or director that makes the director uniquely qualified to serve on First Bancshares' Board of Directors. All nominees and directors have held their present positions for at least five years unless otherwise indicated.

*Thomas M. Sutherland* serves as Vice Chairman of Commercial Bank, Parsons, Kansas, and as director of Kansas State Bank and Ottawa Bancshares, Inc., Ottawa, Kansas. He served as the Bank's Chairman from 2005 until May 2011 and as our Chief Executive Officer from November 2008 until May 2011. In addition to banking activities, Mr. Sutherland is an owner and operator of a group of Sutherland's retail lumber and home improvement stores. He brings his extensive experience in business management, as well as his knowledge of real estate and the Bank's market area, to the Board.

*D. Mitch Ashlock* is Chairman, President and Chief Executive Officer of First Federal of Olathe Bancorp, Inc. and First Federal Savings and Loan Bank of Olathe. Mr. Ashlock's experience in the banking industry is a benefit to the Board of Directors.

*Bradley M. Segebarth* is Chief Operating Officer of Lebanon Auto Transport, which has over 100 employees. Mr. Segebarth has also owned numerous small, successful businesses. He has extensive experience buying and selling real estate in Southwest Missouri, including farms, commercial real estate and residential real estate.

*R.J. Breidenthal, Jr.* is a director of Security Bank of Kansas City, Kansas City, Kansas. Mr. Breidenthal brings extensive bank experience to the Board, having formerly served as the President of Security Bank, Kaw Valley Bancshares, and First Community Bancshares, all in Kansas City, Kansas.

*Mark E. Gardner* is President of Gardner Capital. Mr. Gardner oversees the general operations of multiple companies and engages in the syndication of federal and state tax credits in multiple jurisdictions. He develops and manages commercial properties and market rate residential properties in Missouri and he develops low income residential properties in multiple jurisdictions. Mr. Gardner has extensive experience in analyzing complex transactions, financing of multi-million dollar transactions, and dealing with a highly governmentally regulated industry, as well as legal expertise in respect to interpretation of Missouri laws and regulations.

*Robert M. Alexander* is Chairman, CEO and principal stockholder of Stockmens Bank in Colorado and State Bank of Bartley in Nebraska. He also owns a commercial ranch and farm in central Colorado. In addition, Mr. Alexander is active in commercial real estate and serves on the Board of Farmers Alliance Mutual Insurance Company.

*Billy E. Hixon* is a retired partner from regional CPA firm of BKD, LLP. Mr. Hixon brings over 31 years of public accounting experience to the Board of Directors. Mr. Hixon serves as the Audit Committee Financial Expert and is also knowledgeable on taxation. He is also very familiar with the community we serve.

*John G. Moody* is a retired judge of the 44<sup>th</sup> Judicial Circuit of the State of Missouri and now practices law with the Pointer Law Office in Mountain Grove, Missouri. Mr. Moody provides the Board with legal expertise, in particular with respect to interpretation of laws and regulations, and Missouri law. In addition, Mr. Moody has a great deal of business experience, gained through his legal practice. He is also very familiar with the Bank's market areas.

*R. Bradley Weaver* was appointed the Bank's Chairman and Chief Executive Officer effective May 2, 2011 and was appointed as President effective August 24, 2012. Mr. Weaver was also appointed as Chairman of the Board of Directors and Chief Executive Officer of the holding company May 20, 2011 and was appointed as President effective August 24, 2012. From 2008 until May 2011, Mr. Weaver was Senior Vice President Commercial Lending at BancorpSouth Bank in Springfield, Missouri. He previously held positions of increasing responsibility at Mid Missouri Bancshares, where he became President and Chief Executive Officer, and at UMB Financial Corporation, where he held the position of CEO with two community banks before holding the office of Regional President of UMB Bank, N.A.

---

## MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE MATTERS

---

### **Board of Directors**

The Boards of Directors of First Bancshares and First Home Bank conduct their business through Board and committee meetings. The Boards of Directors meet monthly and hold additional special meetings as needed. During the year ended December 31, 2016, the Boards of Directors of First Bancshares and First Home Bank each held 12 meetings. No director of First Bancshares or First Home Bank attended fewer than 75% of the total meetings of the Boards of Directors and committee meetings on which he served during this period.

### **Committees and Committee Charters**

The Board of Directors of First Bancshares has standing Executive Board, Audit, Compensation and Nominating Committees, and has adopted written charters for each of these committees except the Executive Board Committee. Copies of our Audit, Compensation and Nominating Committee charters are available on our website at [www.fhsb.com](http://www.fhsb.com).

### **Executive Board Committee**

The Executive Board Committee consists of Messrs. Sutherland, Breidenthal and Gardner. The Executive Board Committee meets for the purpose of acting as our long range planning committee and taking any and all actions it deems necessary or appropriate between regular meetings of the Board of Directors. This Committee met once during the year ended December 31, 2016.

### **Audit Committee**

The Audit Committee consists of Messrs. Hixon (Chairman), Moody and Ashlock, with Mr. Weaver as ex-officio. The Audit Committee has a charter which specifies its obligations and the Committee believes it has fulfilled its responsibilities under the charter. This Committee met six times during the year ended December 31, 2016.

The Audit Committee reports to the Board of Directors and is responsible for overseeing and monitoring financial accounting and reporting, the system of internal controls established by management and First Bancshares' audit process. The charter sets out the responsibilities, authority and specific duties of the Audit Committee. The charter

specifies, among other things, the structure and membership requirements of the Audit Committee, as well as the relationship of the Committee to the independent auditor, the internal audit department and our management.

### **Compensation Committee**

Messrs. Breidenthal, Hixon and Gardner are the members of the Compensation Committee. The Compensation Committee has a charter which specifies its obligations and the Committee believes it has fulfilled its responsibilities under the charter. The Compensation Committee met once during the year ended December 31, 2016.

The Compensation Committee's primary purpose is to oversee our compensation policies and their specific application to our President and Chief Executive Officer, Senior Lending Officer and Chief Financial Officer. The Committee is also responsible for reviewing the goals and objectives of our compensation plans, and administering these plans. The Committee evaluates on an annual basis the performance of our President and Chief Executive Officer, Senior Lending Officer and Chief Financial Officer and makes compensation recommendations to the full Board of Directors. In addition, the Compensation Committee reviews the Chief Executive Officer's evaluation of executive management and compensation recommendations. The Committee is also responsible for reviewing director compensation. The Compensation Committee has the authority to retain compensation consultants to assist in the evaluation of the compensation of the directors, President and Chief Executive Officer, Senior Lending Officer and Chief Financial Officer or other experts deemed necessary by the Committee.

### **Nominating Committee**

The Board of Directors also has a Nominating Committee, currently consisting of all of the members of the Board of Directors, for selecting the nominees for election as directors. The Nominating Committee met once during the year ended December 31, 2016.

Only those nominations made by the Committee or properly presented by shareholders will be voted upon at the annual meeting. In its deliberations for selecting candidates for nominees as director, the Nominating Committee considers the candidate's knowledge of the banking business and involvement in community, business and civic affairs. In searching for qualified director candidates to fill vacancies in the Board of Directors, the Committee solicits its current Board of Directors for names of potentially qualified candidates. Additionally, the Committee may request that members of the Board of Directors pursue their own business contacts for the names of potentially qualified candidates. The Committee would then consider the potential pool of director candidates, select the candidate the Committee believes best meets the then-current needs of the Board of Directors, and conduct a thorough investigation of the proposed candidate's background to ensure there is no past history that would cause the candidate not to be qualified to serve as a director of First Bancshares. The Committee will consider director candidates recommended by our shareholders. If a shareholder submits a proposed nominee, the Committee would consider the proposed nominee, along with any other proposed nominees recommended by members of the Board of Directors, in the same manner in which the Committee would evaluate its nominees for director. For a description of the proper procedure for shareholder nominations, see "Shareholder Proposals" in this Proxy Statement.

### **Corporate Governance**

We are committed to establishing and maintaining high standards of corporate governance. The Board of Directors and its committees will continue to evaluate and improve our corporate governance principles and policies as necessary and as required.

### **Annual Meeting Attendance by Directors**

We do not have a policy regarding Board member attendance at annual meetings of shareholders. All members of the Board of Directors attended the 2016 annual meeting of shareholders.

### **Related Party Transactions**

First Home Bank, like many financial institutions, has followed a policy of granting loans to its officers, directors and employees on the security of their primary residences and also makes consumer loans to these persons.

These loans are made in accordance with all applicable federal requirements. At December 31 2016, loans to directors and executive officers, including immediate family members, totaled approximately \$2.35 million. These loans (1) were made in the ordinary course of business, (2) were made on substantially the same terms and conditions, including interest rates and collateral, as those prevailing at the time for comparable transactions with First Home Bank's other customers and (3) did not involve more than the normal risk of collectability or present other unfavorable features when made.

---

### DIRECTORS' COMPENSATION

---

The following table shows the compensation paid to our non-employee directors during the year ended December 31, 2016. Compensation paid to R. Bradley Weaver, our Chairman, President and Chief Executive Officer, is included in the section entitled "Executive Compensation." The directors did not receive any stock or option awards, non-equity plan compensation or non-qualified deferred compensation earnings.

<i>Name</i>	<i>Fees Earned or Paid in Cash (\$)</i>	<i>All Other Compensation (\$)(1)</i>	<i>Total (\$)</i>
D. Mitch Ashlock	13,750	915 (2)	14,665
R.J. Breidenthal, Jr.	15,000	1,769 (2)	16,769
Billy E. Hixon	14,000	37	14,037
John G. Moody	13,750	58	13,808
Thomas M. Sutherland	15,250	37	15,287
Bradley Segebarth	14,500	58	14,558
Mark E. Gardner	11,000	58	11,058
Robert M. Alexander	13,750	58	13,808

(1) Consists of life insurance premiums, unless noted otherwise.

(2) Consists of mileage, lodging and life insurance premiums.

Members of First Bancshares' Board of Directors do not receive any fees. Members of First Home Bank's Board of Directors currently receive a monthly retainer of \$500 and a board attendance fee of \$500 per Board of Directors meeting attended. Directors receive a fee of \$250 for attendance at Executive Committee Meetings, and \$250 for attendance at other committee meetings.

---

### EXECUTIVE COMPENSATION

---

On November 21, 2014, the Board of Directors determined to change our fiscal year end from June 30, to December 31. This change went into effect immediately. Accordingly, the following table shows information regarding compensation earned during the fiscal years ended December 31, 2016 and 2015, and the transition period from July 1, 2014 through December 31, 2014 for First Bancshares' named executive officers: (1) R. Bradley Weaver, our principal executive officer; and (2) our two other most highly compensated officers, who are Joseph E. James and Jeffrey C. Palmer.

<i>Name and Principal Position</i>	<i>Year(1)</i>	<i>Salary (\$)</i>	<i>Bonus (\$)</i>	<i>All Other Compensation (\$)(2)</i>	<i>Total (\$)</i>
R. Bradley Weaver	2016	212,000	300,000	29,360	541,360
Chairman, President and Chief Executive Officer (2)	2015	212,000	--	20,835	232,835
	2014T	105,539	27,969	12,138	145,646
Joseph E. James	2016	130,000	5,000	22,481	157,481
Executive Vice President and Senior Lending Officer	2015	127,500	--	23,639	151,139
	2014T	63,558	16,782	10,296	90,636
Jeffrey C. Palmer	2016	99,000	5,000	14,596	118,596
Executive Vice President and Chief Financial Officer	2015	97,000	--	13,537	110,537
	2014T	47,923	11,188	9,502	68,613

(1) The "2014T" year represents the transition period of July 1, 2014 through December 31, 2014.

(2) For the year ended December 31, 2016, consists of the following: employer 401(k) contribution, medical premiums, life insurance premiums and use of company-owned vehicles for each executive; dental premiums for Messrs. James and Palmer; country club dues and reimbursement of mobile phone bills for Messrs. Weaver and James; and Board fees for Mr. Weaver.

The named executive officers do not have any equity awards outstanding and do not participate in any retirement plans other than the 401(k) plan.

## **PROPOSAL 2 – RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR**

RSM US LLP served as our independent auditor for the year ended December 31, 2016. The Audit Committee of the Board of Directors has appointed RSM US LLP as independent auditor for the fiscal year ending December 31, 2017. You are asked to ratify the appointment of RSM US LLP at the annual meeting. Although shareholder ratification of the appointment of RSM US LLP is not required by our Bylaws or otherwise, our Board of Directors is submitting this appointment to shareholders for their ratification at the annual meeting as a matter of good corporate practice. If the appointment of RSM US LLP is not ratified by shareholders, the Audit Committee may appoint another independent auditor or may decide to maintain its appointment of RSM US LLP. Even if the appointment of RSM US LLP is ratified by shareholders at the annual meeting, the Audit Committee, in its discretion, may select a different independent auditor.

**The Board of Directors unanimously recommends that you vote FOR the ratification of the appointment of RSM US LLP as the independent auditor for First Bancshares for the year ending December 31, 2017.**

The following table sets forth the aggregate fees billed, or expected to be billed, to us by RSM US LLP and RSM McGladrey, Inc. (an affiliate of RSM US LLP) for professional services rendered for the years ended December 31, 2016 and 2015.

	<i>Year Ended December 31,</i>	
	<i>2016</i>	<i>2015</i>
Audit Fees	\$45,443	\$45,443
Audit-Related Fees	--	--
Tax Fees	12,009	16,000
All Other Fees	--	--

---

**PROPOSAL 3 - AMENDMENT OF THE ARTICLES OF INCORPORATION  
TO REMOVE THE LIMITATION ON THE VOTING RIGHTS OF OWNERS OF MORE THAN 10%  
OF THE OUTSTANDING COMMON STOCK**

---

The Board of Directors has approved, and is submitting to shareholders for approval, an amendment to Section 3.2 of our Articles of Incorporation. If adopted, the amendment would remove the current restriction that limits the voting rights of owners of more than 10% of the outstanding common stock. As provided in First Bancshares' Articles of Incorporation, record holders of common stock on behalf of a person who beneficially owns in excess of 10% of the outstanding shares of common stock (the "Limit") is not entitled to cast any votes in excess of the Limit. A person is deemed to beneficially own shares owned by such person's affiliates and associates as well as by persons acting in concert with such person. First Bancshares' Articles of Incorporation authorizes the Board of Directors to interpret and apply the provisions of the Articles of Incorporation governing the Limit and to determine on the basis of information known to it after reasonable inquiry of all facts necessary to ascertain compliance with the Articles of Incorporation.

On February 24, 2017 our Board adopted resolutions to submit to shareholders at our 2017 annual meeting of shareholders an amendment to the Company's Articles of Incorporation to delete Sections 3.2(a) and 3.2(d) and the phrase "...including stockholders owning an amount of stock over the Limit," in Section 3.2(g). Director Mark E. Gardner did not participate in the discussion of this amendment to the Articles of Incorporation and did not vote on its adoption because he currently owns in excess of 10% of the outstanding shares. If approved by shareholders Sections 3.2(a) and 3.2(d) of the Articles of Incorporation will be deleted, the phrase "...including stockholders owning an amount of stock over the Limit," will be deleted in Section 3.2(g) and Sections 3.2(b), (c) and (e)-(g) will be renumbered as Sections 3.2(a)-(e).

**Background of the Proposal**

Section 3.2(a) was included in the Articles of Incorporation in 1993 as an anti-takeover protection to allow First Bancshares to deploy the capital it raised in its mutual to stock conversion without the disruptive pressure from large shareholders. The section was intended to limit the ability of a person to acquire a significant number of shares of the Company's common stock and thereby gain sufficient voting control to cause the Company the effect a transaction that may not be in the best interests of the Company and its shareholders.

Since a considerable period of time has elapsed since the mutual to stock conversion and the capital has been deployed the Board of Directors does not believe this limitation currently serves a useful purpose. In addition, the federal banking laws require person to file bank change-in-control and/or holding company applications before they can acquire more than 10% (or even over 5%, in certain instances) of the Company's common stock. Accordingly, the Board of Directors has concluded that Sections 3.2(a) and 3.2(d) are no longer needed and that it is advisable and in the best interests of the Company and its shareholders to remove these.

**The Board of Directors recommends that you vote FOR the amendment of the Articles of Incorporation to delete Sections 3.2(a) and 3.2(d) of the Articles of Incorporation and any references to the term "Limit" included therein.**

---

**MISCELLANEOUS**

---

The Board of Directors is not aware of any business to come before the annual meeting other than those matters described above in this Proxy Statement. However, if any other matters should properly come before the annual meeting, it is intended that proxies in the accompanying form will be voted in respect thereof in accordance with the judgment of the person or persons voting the proxies.

We will bear the cost of solicitation of proxies, and will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of First Bancshares' common stock. In addition to solicitations by mail, our directors, officers and employees may solicit proxies personally or by facsimile or telephone without additional compensation.

A copy of First Bancshares' Annual Report to Shareholders, including financial statements, has been mailed to all shareholders of record as of the close of business on March 13, 2017. Any shareholder who has not received a copy of our Annual Report to Shareholders may do so, free of charge, by writing to Jeffrey C. Palmer, Executive Vice President and Chief Financial Officer, First Bancshares, Inc., 142 East First Street, Mountain Grove, Missouri 65711. Alternatively, this report is available free of charge on First Bancshares' website at [www.fhsb.com](http://www.fhsb.com). The Annual Report to Shareholders is not to be treated as a part of the proxy solicitation material or as having been incorporated herein by reference.

---

### SHAREHOLDER PROPOSALS

---

Our Bylaws provide that in order for a shareholder to make nominations for the election of directors or proposals for business to be brought before an annual meeting, the shareholder must deliver notice of nominations and/or proposals to the Secretary of First Bancshares not less than 30 nor more than 60 days prior to the date of the annual meeting; provided that if less than 40 days' notice of the annual meeting is given to shareholders, the shareholder's notice must be delivered not later than the close of the tenth day following the day on which notice of the annual meeting was mailed to shareholders. We anticipate that, in order to be timely, shareholder nominations or proposals intended to be made at this year's meeting must be made by March 21, 2017. As specified in our Articles of Incorporation, the notice with respect to nominations for election of directors must set forth certain information regarding each nominee for election as a director, including that person's written consent to being named in the proxy statement as a nominee and to serving as a director, if elected, and certain information regarding the shareholder giving the notice. The notice with respect to business proposals to be brought before the meeting must state the shareholder's name, address and number of shares of First Bancshares common stock held, and briefly discuss the business to be brought before the meeting, the reasons for conducting such business at the meeting and any interest of the shareholder in the proposal.

BY ORDER OF THE BOARD OF DIRECTORS



SHANNON PETERSON  
SECRETARY

Mountain Grove, Missouri  
March 20, 2017