

FIRST BANCSHARES INC /MS/
Form DEF 14A
April 03, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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THE FIRST BANCSHARES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

April 3, 2019

Dear Shareholder:

We cordially invite you to attend the 2019 Annual Meeting of Shareholders of The First Bancshares, Inc., the holding company for The First, A National Banking Association, which will be held on Thursday, May 16, 2019, at 11:30 a.m. Central Time at The University of Southern Mississippi, Scianna Hall, 118 College Drive, Hattiesburg, Mississippi. At the meeting, we will report on our performance in 2018. We are excited about our achievements in 2018 and our plans for the future and we look forward to discussing these with you. We hope that you can attend the meeting and look forward to seeing you there.

The attached Notice of Annual Shareholders' Meeting describes the formal business to be transacted at the Annual Meeting. Members of our Board of Directors and executive officer team will be present at the meeting and will be available to answer questions regarding the Company.

It is important that your shares be represented at the Annual Meeting whether or not you are able to attend in person. Even if you plan to attend the meeting, after reading the accompanying proxy materials, the Company encourages you to promptly submit your proxy by Internet, telephone or mail as described in this proxy statement.

The Board of Directors and our employees thank you for your continued support.

Sincerely,

M. Ray (Hoppy) Cole, Jr.
President and Chief Executive Officer

The First Bancshares, Inc.

Notice of Annual Meeting of Shareholders

to be held on May 16, 2019

This letter serves as your official notice that The First Bancshares, Inc. (the “Company”), the holding company for The First, A National Banking Association (the “Bank”), will hold its annual meeting of shareholders on Thursday, May 16, 2019, at 11:30 a.m. Central Time at The University of Southern Mississippi, Scianna Hall, 118 College Drive, Hattiesburg, Mississippi for the following purposes:

1. To elect the three Class III director nominees named in the accompanying proxy statement.
2. To approve, on an advisory basis, the compensation of the named executive officers of the Company as described in the proxy statement.
3. To ratify the appointment of Crowe, LLP as the Company’s independent registered public accounting firm for fiscal 2019.
4. To vote on or transact any other business that may properly come before the meeting or any adjournment of the meeting.

Management currently knows of no other business to be presented at the meeting.

Shareholders of record owning the Company’s common stock at the close of business on March 22, 2019, are entitled to notice of and to attend and vote at the meeting. A complete list of these shareholders will be available at The First Bancshares, Inc.’s main office for ten days prior to the meeting.

The Securities and Exchange Commission (the “SEC”) allows issuers to furnish proxy materials to their shareholders over the Internet. You will not receive a printed copy of the proxy materials, unless specifically requested. The Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy on the Internet. You are cordially invited to attend the annual meeting in person. However, to ensure that your vote is counted at the annual meeting, please vote as promptly as possible.

By Order of the Board of Directors,

M. Ray (Hoppy) Cole, Jr. E. Ricky Gibson

President and Chief
Executive Officer

Chairman of the Board

April 3, 2019

Hattiesburg, Mississippi

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IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 16, 2019

Proxy materials for the Annual Meeting of Shareholders of The First Bancshares, Inc., which include this Notice, the proxy statement, the proxy card and the Annual Report to Shareholders for the year ended December 31, 2018, are available at www.edocumentview.com/FBMS. If you would like to receive a printed or emailed copy of the proxy materials, please follow the instructions set forth in the notice that was mailed to you.

The First Bancshares, Inc.

6480 U.S. Highway 98 West

Hattiesburg, Mississippi 39402

**Proxy Statement for Annual Meeting of
Shareholders to be Held on May 16, 2019**

INTRODUCTION

Date, Time, and Place of Meeting

The Annual Meeting of Shareholders (the “Meeting”) of The First Bancshares, Inc. (the “Company”), the holding company for The First, A National Banking Association (the “Bank”) will be held at The University of Southern Mississippi, Scianna Hall, 118 College Drive, Hattiesburg, Mississippi, on Thursday, May 16, 2019, at 11:30 a.m. Central Time, or any adjournment(s) thereof, for the purpose of considering and voting upon the matters set out in the foregoing Notice of Annual Meeting of Shareholders. This proxy statement is furnished to the shareholders of the Company in connection with the solicitation by the Board of Directors of proxies to be voted at the Meeting. This proxy statement summarizes the information that you need to know in order to cast your vote at the Meeting. You do not need to attend the Meeting in person to vote your shares of our common stock.

If you plan to attend the Meeting in person, please bring proper identification. If your shares of our common stock are held in “street name,” meaning a bank, broker, trustee or other nominee is the shareholder of record of your shares, and you want to vote in person at the Annual Meeting, you must obtain a legal proxy from the record holder and present it at the Meeting. You can obtain directions to the Meeting by contacting the Corporate Secretary at 601-268-8998.

In accordance with the rules of the U.S. Securities and Exchange Commission (the “SEC”), we are permitted to furnish proxy materials, including this proxy statement and our 2018 annual report, to shareholders by providing access to these documents online instead of mailing printed copies. Most shareholders will not receive printed copies of the proxy materials unless requested. Instead, most shareholders will only receive a notice that provides instructions on how to access and review our proxy materials online. If you would like to receive a printed or emailed copy of our proxy materials free of charge, please follow the instructions set forth in the notice that was mailed to you to request the materials. This proxy statement is available to you online at www.edocumentview.com/FBMS.

The mailing address of the principal executive office of the Company is Post Office Box 15549, Hattiesburg, Mississippi, 39404-5549.

The approximate date on which this proxy statement and form of proxy are first being mailed or made available to shareholders is April 3, 2019.

Record Date; Voting Rights; Quorum; Matters to Be Considered at the Meeting; Vote Required

The record date for determining holders of outstanding stock of the Company entitled to notice of and to attend and vote at the Meeting is March 22, 2019 (the "Record Date"). Only holders of our common stock at the close of business on the Record Date are entitled to notice of and to attend and vote at the Meeting or at any adjournment or postponement thereof. As of the Record Date, there were 17,272,731 shares of our common stock issued and outstanding, each of which is entitled to one vote on each matter presented. Shareholders do not have cumulative voting rights.

Under Mississippi law and our Bylaws, the holders of a majority of our common stock issued and outstanding and entitled to vote, present in person or represented by proxy, will constitute a quorum at the Meeting. The inspector of election will determine whether a quorum is present at the Meeting. If you are a beneficial owner (as defined below) of shares of our common stock and you do not instruct your bank, broker, trustee or other nominee how to vote your shares on any of the proposals, and your bank, broker, trustee or nominee submits a proxy with respect to your shares on a matter with respect to which discretionary voting is permitted, your shares will be counted as present at the Meeting for purposes of determining whether a quorum exists. In addition, shareholders of record who are present at the Meeting in person or by proxy will be counted as present at the Meeting for purposes of determining whether a quorum exists, whether or not such holder abstains from voting on any or all of the proposals. Also, a “withhold” vote with respect to the election of a director nominee will be counted for purposes of determining whether there is a quorum at the Meeting, but will not be considered to have been voted for the director nominee.

At the Meeting, you will be asked to (1) elect three Class III director nominees; (2) approve, on an advisory basis, the compensation of our named executive officers; (3) ratify the appointment of Crowe, LLP as the Company’s independent registered public accounting firm for fiscal 2019; and (4) consider any other matter that properly comes before the Meeting.

The Board of Directors recommends that you vote:

FOR the election of three Class III director nominees recommended by the Board of Directors in this proxy statement;

FOR the approval, on an advisory basis, of the compensation of our named executive officers as described in the proxy statement; and

FOR the ratification of the appointment of Crowe LLP as the Company’s independent registered public accounting firm.

By signing, dating and returning a proxy card or submitting your proxy and voting instructions via the Internet or telephone, you will give to the persons named as proxies discretionary voting authority with respect to any matter that may properly come before the Meeting, and they intend to vote on any such other matter in accordance with their best judgment. We do not expect any matters to be presented for action at the Meeting other than the matters described in this proxy statement. However, if any other matter does properly come before the Meeting, the proxy holders will vote any shares of our common stock, for which they hold a proxy to vote at the Meeting, in their discretion.

Proposal	Voting Options	Vote Required to Adopt the Proposal	Effect of Abstentions	Effect of Broker Non-Votes
No. 1: Election of three Class III director nominees	For or withhold on each director nominee	Plurality of votes cast	N/A	No effect
No. 2: Approval, on an advisory basis, of the compensation of our named executive officers	For, against or abstain	Votes cast in favor exceed votes cast against	No effect	No effect
No. 3: Ratification of the appointment of Crowe, LLP as the independent registered public accounting firm of the Company	For, against or abstain	Votes cast in favor exceed votes cast against	No effect	N/A

Our directors are elected by a plurality of the votes cast. This means that the candidates receiving the highest number of “FOR” votes will be elected. Under our Bylaws, to decide any other matters that come before the Meeting, the votes cast in favor of the matter must exceed the votes cast against the matter, unless a different vote is required by law, our Amended and Restated Articles of Incorporation or our Bylaws.

Submitting Proxies and Voting Instructions

If your shares of our common stock are registered directly in your name with our transfer agent, Computershare Shareowner Services LLC, you are the shareholder of record of those shares you will receive proxy materials from the transfer agent. You may submit your proxy and voting instructions via the Internet, telephone or by mail as further described below. Your proxy, whether submitted via the Internet, telephone or by mail, the person designated on the proxy card to act as your proxy at the Meeting to represent and vote your shares of our common stock as you directed, if applicable.

Holders of record may vote their shares as follows:

- Submit Your Proxy and Voting Instructions via the Internet or over the telephone
- § You may submit your proxy and voting instructions via the Internet or telephone until 10:59 p.m. Central Time on May 15, 2019.
- § Please have your proxy card available and follow the instructions on the proxy card.
- Submit Your Proxy and Voting Instructions by Mail
- § Complete, date and sign your proxy card and return it in the postage-paid envelope provided.
- §

If you are signing in a representative capacity (for example as guardian, executor, trustee, custodian, attorney or officer of a corporation), you should indicate your name and your title or capacity.

§ Your proxy card must be received prior to May 16, 2019 in order for your shares to be voted.

If you submit your proxy and voting instructions via the Internet or telephone, you do not need to mail your proxy card. The proxies will vote your shares of our common stock at the Meeting as instructed by the latest dated proxy received from you, whether submitted via the Internet, telephone or by mail. You may also vote in person at the Meeting.

If your shares of our common stock are held by a bank, broker, trustee or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your bank, broker, trustee or other nominee that is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee on how to vote your shares of our common stock via the Internet or by telephone, if the bank, broker, trustee or other nominee offers these options or by completing, signing, dating and returning a voting instruction form. Your bank, broker, trustee or other nominee will send you instructions on how to submit your voting instructions for your shares of our common stock.

Shares of common stock represented by properly executed proxies, unless previously revoked, will be voted at the Meeting in accordance with the directions therein. If a properly executed proxy is submitted but no voting instruction are specified, such shares will be voted as the Board of Directors recommends, namely FOR each director nominee listed in this proxy statement, FOR the approval, on an advisory basis, of the compensation of our named executive officers, and FOR the ratification of the appointment of the independent registered public accounting firm, and in the discretion of the person named in the proxy with respect to any other business that may come before the Meeting.

Unless a new record date is fixed, your proxy will still be valid and may be used to vote shares of our common stock at the postponed or adjourned Meeting.

A proxy may be revoked by a shareholder at any time prior to the exercise thereof by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. A proxy may also be revoked if the shareholder is present and elects to vote in person or notifies the Secretary of the Company in writing at the Meeting of your wish to revoke your proxy. Your attendance alone at the Meeting will not be enough to revoke your proxy.

Broker-Non-Votes

Rules of the New York Stock Exchange (“NYSE”) determine whether proposals presented at shareholder meetings are “discretionary” or “non-discretionary.” If you are a beneficial owners and a proposal is determined to be discretionary, your bank, broker, trustee or other nominee is permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. If you are a beneficial owners and a proposal is determined to be non-discretionary, your bank, broker, trustee or other nominee is not permitted under NYSE rules to vote on the proposal without receiving

voting instructions from you. A “broker non-vote” occurs when a bank, broker, trustee or other nominee holding shares for a beneficial owner returns a valid proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on the matter and has not received voting instructions from the shareholder for whom it is holding shares.

Under the NYSE rules, the proposal relating to the ratification of the appointment of the independent registered public accounting firm of the Company is a discretionary proposal. If you are a beneficial owner and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares for you, your bank, broker, trustee or other nominee may vote your shares with respect to the ratification of the appointment of the independent registered public accounting firm.

Under the rules of the NYSE, the proposals relating to the election of directors and the compensation of our named executive officers are non-discretionary proposals. Accordingly, if you are a beneficial owner and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares for you, your shares will not be voted with respect to these proposals. Without your voting instructions, a broker non-vote will occur with respect to your shares on each non-discretionary proposal for which you have not provided voting instructions.

Householding

We are permitted to send a single Notice of Annual Shareholders' Meeting ("Notice") and any other proxy materials we choose to mail to shareholders who share the same last name and address. This procedure is called "householding" and is intended to reduce our printing and postage costs. If you would like to receive a separate copy of a proxy statement or annual report, either now or in the future, please contact us in writing at the following address: Post Office Box 15549, Hattiesburg, Mississippi, 39404 Attn: Corporate Secretary. If you hold your shares through a bank, broker or trustee or other nominee and would like to receive additional copies of the Notice and any other proxy materials, or if multiple copies of the Notice or other proxy materials are being delivered to your address and you would like to request householding, please contact your nominee.

PROPOSAL 1 – Election of Directors

Current Membership on the Board of Directors

The Board of Directors is divided into three classes with staggered terms, so that the terms of only approximately one-third of the Board members expire at each annual meeting. The current terms of the Class III directors will expire at the Meeting. The term of each of the Class I directors will expire at the 2020 annual meeting of shareholders and the term of each of the Class II directors will expire at the 2021 annual meeting of shareholders. Our current directors and their classes as of March 22, 2019, are as follows:

Class I	Class II	Class III
Rodney D. Bennett, Ed.D (I)	Charles R. Lightsey (I)	David W. Bomboy, M.D. (I)
Ted E. Parker (I)	Fred A. McMurry (I)	M. Ray (Hoppy) Cole, Jr.
J. Douglas Seidenburg (I)	Thomas E. Mitchell (I)	E. Ricky Gibson (I)
	Andrew D. Stetelman (I)	

(I)Indicates independent director under Nasdaq director independence standards.

Class III Director Nominees

At the Meeting, shareholders are being asked to elect David W. Bomboy, M.D., M. Ray (Hoppy) Cole, Jr. and E. Ricky Gibson as Class III director nominees each to serve a three-year term, expiring at the 2022 annual meeting of shareholders, or until their successors are duly elected and qualified. Information regarding the director nominees is provided below under “Information About Director Nominees.”

The person named as proxy on the proxy card intends to vote your shares of our common stock for the election of the three Class III director nominees, unless otherwise directed. Proxies cannot be voted for a greater number of persons than the number of nominees named in this proxy statement. If, contrary to our present expectations, any director nominee is unable to serve or for good cause will not serve, your proxy will be voted for a substitute nominee designated by the Board of Directors, unless otherwise directed.

Vote Required to Elect Director Nominees

Under our Bylaws, our directors are elected by a plurality of votes cast by the shares entitled to vote and present at the Meeting.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE Three CLASS III director nominees, MESSRS. Bomboy, COLE, AND GIBSON.

Information About Director Nominees and Continuing Directors

The following provides relevant information regarding each director’s particular experience, qualifications, attributes, or skills that, when considered in the aggregate, led the Board of Directors to conclude that the person should serve as a director of the Company:

Information About Director Nominees

Class III Director Nominees

David W. Bomboy, M.D., 73, has been a director of the Company since 1995 and is also a director of the Bank.

Background: Dr. Bomboy is a lifelong resident of Hattiesburg, Mississippi. He received a B.S. with honors in Pre-Medicine from the University of Mississippi in 1968 and earned an M.D. degree from the University of Mississippi Medical Center in 1971. Dr. Bomboy completed his orthopedic surgical training at the University of Mississippi in 1976. He is a board-certified orthopedic surgeon and has practiced orthopedics in southern Mississippi for 41 years. Dr. Bomboy is a member of the Mississippi State Medical Association, the American Medical Association, and the Mississippi Orthopedic Society and is past president. He served as president of the Methodist Hospital Medical Staff.

Experience/Qualifications/Skills: Dr. Bomboy is the sole physician on the Company’s board which enables him to bring a different perspective to the challenges the board faces. His background, experience, and knowledge of the medical and business communities are important in the board’s oversight of management. His past involvement in real estate development adds additional insight to board oversight and review of the Bank’s loan portfolio.

M. Ray (Hoppy) Cole, Jr., 57, served as director of the Company from 1998 to 1999 and from 2001 through the present and is also a director of the Bank.

Background: Mr. Cole currently serves as President and CEO of the Company and the Bank and serves as the Vice Chairman of the Company's Board of Directors. Prior to joining the Bank in September 2002, Mr. Cole was Secretary/Treasurer and Chief Financial Officer of the Headrick Companies, Inc. for eleven years. Mr. Cole began his career with The First National Bank of Commerce in New Orleans, Louisiana and held the position of Corporate Banking Officer from 1985-1988. In December of 1988, Mr. Cole joined Sunburst Bank in Laurel, Mississippi serving as Senior Lender and later as President of the Laurel office. Mr. Cole graduated from the University of Mississippi where he earned a Bachelor's and Master's Degree in Business Administration. Mr. Cole attended the Stonier Graduate School of Banking at the University of Delaware. He also served as a director of the Company's Laurel bank prior to consolidation.

Experience/Qualifications/Skills: Mr. Cole has served on the board of the Company for more than fifteen years and has extensive knowledge of all aspects of the Company's business. His many years of experience in banking and his leadership in building our Company make him well qualified to serve as a director. His insight is an essential part of formulating the Company's policies, plans and strategies.

E. Ricky Gibson, 62, serves as Chairman of the Board and has been a director of the Company since 1995 and is also a director of the Bank.

Background: Mr. Gibson has been president and owner of N&H Electronics, Inc., a wholesale electronics distributor, since 1988 and of Mid South Electronics, a wholesale consumer electronics distributor, since 1993. He attended the University of Southern Mississippi. He is a member of Parkway Heights United Methodist Church.

Experience/Qualifications/Skills: Mr. Gibson has served on the board of the Company since its inception in 1995. As a business owner and distributor, Mr. Gibson is knowledgeable about all aspects of running a successful business and he understands the challenges business owners face. Also, he has developed an understanding of the Company's bank and the banking industry in general, particularly in the area of audit and executive compensation. He serves as Chairman of the Board of both the Company and the Bank and has served as chairman of the audit committee of the Bank's Board of Directors and is chairman of the compensation committee of the Company's Board of Directors.

Information about Continuing Directors

Rodney D. Bennett, Ed.D, 52, has been a director of the Company since 2017 and is also a director of the Bank.

Background: Since 2013, Dr. Bennett has served as the President of The University of Southern Mississippi in Hattiesburg, Mississippi. In this role, he is responsible for the management and administrative oversight of every facet of institutional operations on two campuses. He is affiliated with the American College Personnel Association, the New President's Academy Advisory Committee, American Association of State Colleges and Universities, the NCAA/Conference USA, as well as numerous other organizations.

Experience/Qualifications/Skills: Dr. Bennett's background and numerous affiliations provide the Board with a broad range of experience and knowledge of organizational management. His insight provides significant value to the Board.

Charles R. Lightsey, 79, has been a director of the Company since 2003 and is also a director of the Bank.

Background: Mr. Lightsey owns his own business as a social security disability representative. Mr. Lightsey worked with the Social Security Administration from 1961 to 2000, serving as District Manager of the Laurel Office from 1968 to 2000. He is a recipient of The Commissioner's Citation, the highest accolade accorded by the SSA. His community involvement includes serving as a former deacon of the First Baptist Church of Laurel, member and Board of Directors of the Laurel Kiwanis Club, president of the Laurel-Jones County Council on Aging, member of the Pine Belt Mental Health Association Council and Chairman of the Federal, State and Local Government United Way. He received his degree in Management and Real Estate from the University of Southern Mississippi in 1961. He currently

serves on the Laurel Advisory Board. Mr. Lightsey served on the board of the Company's Laurel bank prior to consolidation.

Experience/Qualifications/Skills: Mr. Lightsey has served on the Company's board since 2003. His background as a manager with the Social Security Administration and his business ownership experience provide the Board with a broad range of knowledge and business acumen. His business experience has equipped him with the skills necessary to be a leader on the Board and to serve as chairman of the corporate governance committee.

Fred A. McMurry, 54, has been a director of the Company since 1995 and is also a director of the Bank.

Background: Mr. McMurry is currently President and General Manager of Havard Pest Control, Inc. a family-owned business where he has served for over 33 years. He also serves on the board of the Bureau of Plant Industry of the Mississippi Department of Agriculture and Commerce and the Dixie National Junior Livestock Sales Committee. In addition, he is President of West Oaks, LLC and Vice President of Oak Grove Land Company, Inc.

Experience/Qualifications/Skills: Mr. McMurry has been a director of the Company since its inception in 1995. He contributes his extensive knowledge of the Lamar County area of Mississippi, which is one of the Company's primary markets. His many years of experience of small business experience give him a broad understanding of the needs of the Company's customers as well as insight into the economic trends in the area. He also has been involved in real estate development which adds value to loan discussions.

Thomas E. Mitchell, 71, has been a director of the Company since 2017 and is also a director of the Bank.

Background: Mr. Mitchell joined the Board of Directors of the Bank in July, 2016. He serves as President of Stuart Contracting Co., Inc. a major area contractor known for large-scale school, government, industrial and commercial projects of all types located in Bay Minette, AL, a position he has held since 1975. Mr. Mitchell is involved in numerous other partnerships and companies and is a part owner in a number of shopping center projects and office parks and various other residential and commercial projects in Alabama. He is a member of First Baptist Church of Bay Minette where he serves as a deacon.

Experience/Qualifications/Skills: Mr. Mitchell served on the Board of Directors of SouthTrust Corporation from 1996 until 2004 and has served as director for American Fidelity Insurance Company since 2014. Mr. Mitchell's vast business experience as well as his knowledge of the Alabama and Florida markets is an asset to the Board. Mr. Mitchell's experience provides the Board with valuable insight into the trends and risks of the market in which he lives and works.

Ted E. Parker, 59, has been a director of the Company since 1995 and is also a director of the Bank.

Background: Mr. Parker has been in the stocker-grazer cattle business for more than 30 years. He attended the University of Southern Mississippi and served as a licensed commodity floor broker at the Chicago Mercantile Exchange from 1982 to 1983. He served on Bayer Animal Health Advisory Board from 2010 to 2016 and on the Marketing and International Trade Committee of the National Cattleman's Beef Association from 2015 to 2017. He served as a board member of Farm Bureau Insurance from 1992 to 1994. He is a member of the National Cattlemen's Association, the Texas Cattle Feeders Association, Covington County Cattlemen's Association, and Seminary Baptist Church.

Experience/Qualifications/Skills: Mr. Parker has served on the board of the Company since its inception in 1995. His experience in the cattle business provides the Board with insight into the needs of the agricultural community in the Company's markets. His insight into the market in which he lives through his community involvement are important assets to the Board.

J. Douglas Seidenburg, 59, has been a director of the Company since 1998 and is also a director of the Bank.

Background: Mr. Seidenburg is the owner and President of Molloy-Seidenburg & Co., P.A., an accounting firm, since 1989. He has been a CPA since 1983. Mr. Seidenburg is involved in many civic, educational, and religious activities in the Jones County area. Past activities include serving as president of the Laurel Sertoma Club, president of the University of Southern Mississippi Alumni Association of Jones County, treasurer of St. John's Day School, director of Leadership Jones County and a member of Future Leaders of Jones County. He was also one of the founders of First Call for Help, a local United Way Agency started in 1990. Mr. Seidenburg is a 1981 graduate of the University of Southern Mississippi, where he earned a B.S. degree in Accounting. Mr. Seidenburg served as director of the Company's Laurel bank prior to consolidation.

Experience/Qualifications/Skills: Mr. Seidenburg has served on the Board of the Company since 1998. He is Chairman of the Audit Committee and has been designated as a financial expert. His experience as a CPA and his knowledge of corporate governance provide the Board with an understanding of financial and accounting issues that are faced in today's business environment.

Andrew D. Stetelman, 58, has been a director of the Company since 1995 and is also a director of the Bank.

Background: Mr. Stetelman has served as a realtor with London and Stetelman Realtors since 1981. He graduated from the University of Southern Mississippi in 1983. He has served in many capacities with the National, State, and Hattiesburg Board of Realtors including President. He was selected as Realtor of the Year in 1992 of the Hattiesburg Board of Realtors and in 2001 he became the first Mississippi Commercial Realtor of the Year. He has served as the chairman of the Hattiesburg Convention Center since 1994, serves as a board member of the Area Development Partnership, and is a member of the Kiwanis International.

Experience/Qualifications/Skills: Mr. Stetelman has been a director of the Company since its inception in 1995. His experience in commercial real estate and real estate investments provides the Board with insight to the trends and risks associated with residential, rental, and commercial real estate within all of the Company's markets. His broad insight and knowledge related to real estate is very valuable to the Board and its oversight of the Company's loan portfolio.

PROPOSAL 2 – Advisory Vote on the Compensation of our Named Executive Officers

Pursuant to Section 14A of the Exchange Act, we provide our shareholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement in accordance with the rules of the SEC. This vote does not address any specific item of compensation but rather the overall compensation of our named executive officers and our compensation philosophy and practices as disclosed in the section titled "Executive Officer Compensation." This disclosure includes the "Compensation Discussion and Analysis" and the "Executive Compensation Tables" set forth below, including the accompanying narrative disclosures. At the 2018 annual meeting of shareholders, we provided our shareholders with the opportunity to cast a non-binding advisory vote regarding the compensation of our named executive officers as disclosed in our proxy statement for the 2018 annual meeting of shareholders. Our say-on-pay proposal was approved by approximately 87% of our shareholders whose shares were present in person or by proxy at the 2018 annual meeting and who voted or affirmatively abstained from voting (excluding broker non-votes). We are again asking our shareholders to vote on the following resolution:

RESOLVED, that the shareholders of The First Bancshares Inc. (the "Company") approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement for the Company's 2019 Annual Meeting of Shareholders pursuant to Item 402 of Regulation S-K of the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the narrative executive compensation disclosures to the compensation tables included in this proxy statement.

We understand that executive compensation is an important matter for our shareholders. Our core executive compensation philosophy and objectives continue to be designed to reward the achievement of specific annual, long-term and strategic goals by the Company, and which aligns the interests of the executive officers with the Company's overall business strategy, values and management initiatives intended to reward executives for strategic management and the enhancement of shareholder value and support a performance-oriented environment that rewards achievement of internal goals. In considering how to vote on this proposal, we encourage you to review all the relevant information in this proxy statement, including the "Compensation Discussion and Analysis", the "Executive Compensation Tables," and the rest of the narrative disclosures regarding our executive compensation program in the section titled "Executive Officer Compensation".

While this advisory vote is not binding, the Board of Directors and the Compensation Committee value the opinion of our shareholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

Vote Required to Approve, on an Advisory Basis, the Compensation of Our Named Executive Officers

Proposal No. 2 will be approved if votes cast in favor of the proposal exceed votes cast against it.

Recommendation of the Board of Directors

OUR BOARD RECOMMENDS THAT YOU VOTE “FOR” THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

EXECUTIVE OFFICER COMPENSATION

Our named executive officers (“NEOs”) for 2018, and the positions held by them on December 31, 2018 are:

M. Ray (Hoppy) Cole, Jr., 57, *CEO and President of the Company and the Bank, Vice Chair of the Company’s Board of Directors*. Mr. Cole’s biography is provided above under “Class III Director Nominations.”

Donna T. (Dee Dee) Lowery, CPA, 52, *Executive Vice President and Chief Financial Officer of the Company and the Bank*. Ms. Lowery has served as Executive Vice President and Chief Financial Officer of the Company and the Bank since she joined the Company in February 2005. Prior to joining the Company, Ms. Lowery was Vice President and Investment Portfolio Manager of Hancock Holding Company from 2001 to 2005. Ms. Lowery began her career in 1988 with McArthur, Thames, Slay and Dews, PLLC as a staff accountant. In June 1993, she joined Lamar Capital Corporation, and held several positions beginning with Internal Auditor from 1993 to 1995, Comptroller from 1995 to 1998 and then Chief Financial Officer and Treasurer from 1998 to 2001, until the merger in 2001 with Hancock Holding Company. Ms. Lowery graduated from the University of Southern Mississippi where she earned a Bachelor’s Degree in Business Administration with an emphasis in Accounting. Ms. Lowery serves on the Advisory Board for the Business School at the University of Southern Mississippi.

Compensation Discussion and Analysis

Overview of Compensation Program

The Compensation Committee (for purposes of this analysis, the “Committee”) of the Board of Directors has responsibility for establishing, implementing and monitoring adherence with the Company’s compensation philosophy. The Committee ensures that the total compensation paid to the named executive officers is fair, reasonable and competitive. Generally, the types of compensation and benefits provided to the named executive officers are similar to those provided to other executive officers in publicly traded financial institutions.

2018 Financial Highlights

- Net income of \$21.2 million, increasing 100% from 2017;
- Net interest income of \$84.9 million compared to \$59.2 million in 2017;
- Loans increased 11.4%, exclusive of acquisitions, compared to the prior year; and
- Deposits increased 5.4%, exclusive of acquisitions, compared to the prior year.

The Company performed well in 2018, reporting record net income of \$21.2 million which includes \$13.8 million in charges associated with the acquisitions of First Community Bank, Sunshine Bank and Farmers & Merchants Bank. We benefited from continued growth in both loans and deposits when compared to 2017. Our net interest income reached a record of \$84.9 million, primarily due to an increase of \$0.6 billion in average earning assets as well as the effect of increases in interest rates on loan yields.

Compensation Philosophy and Objectives

The Committee believes that the most effective executive compensation program is one that is designed to reward the achievement of specific short-term, long-term and strategic goals by the Company, and which aligns the interests of the executive officers with the Company's overall business strategy, values and management initiatives. The Company's compensation policies are intended to reward executives for strategic management and the enhancement of shareholder value and support a performance-oriented environment that rewards achievement of internal goals. The Company has also adopted a Compensation Philosophy that provides guidance to the Committee when making decisions surrounding the compensation of the NEOs. Our philosophy generally targets near the market (peer) median for NEO base salaries with a strong emphasis on incentive compensation programs that provide an alignment between pay and performance.

The Committee evaluates both performance and compensation to ensure that the Company maintains its ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of peer companies. To that end, the Committee believes in rewarding the NEOs with reasonable incentive compensation awards if Company performance meets established targets and is comparable to the median (50th percentile) of its peer group data. This is a critical piece in the Company's compensation plan design and is realized through the ability of the NEOs to annually earn both short-term (cash) and long-term (stock-based) incentive payouts when performance justifies such awards.

Role of Executive Officers in Compensation Decisions

The Committee annually reviews, determines and recommends to the Board for approval the annual compensation, including salary, bonus, incentive and other compensation of the Chief Executive Officer, including corporate goals and objectives relevant to compensation of the Chief Executive Officer, and evaluates performance in light of these goals and objectives.

The Committee and the Chief Executive Officer annually review the performance of each of the named executive officers (other than the Chief Executive Officer whose performance is reviewed by the Committee). The CEO recommends salary adjustments and annual award amounts based on these reviews, other than for himself, to the Committee. The Committee can exercise discretion in modifying or adjusting recommended compensation or awards to executives. The Committee then submits its recommendations on executive compensation to the full Board for approval.

Setting Executive Compensation

The Compensation Committee monitors the results of our annual advisory vote on executive compensation each year. Our advisory say-on-pay proposal at the 2018 annual meeting of stockholders received an affirmative vote of approximately 87% in favor of our 2017 executive compensation. As a result, the Compensation Committee did not implement any specific changes to our executive compensation programs based on the 2018 shareholder advisory vote. The Compensation Committee intends to monitor the results of this year's say-on-pay proposal vote and to incorporate such results as one of many factors considered in connection with the discharge of its responsibilities. The Company maintains active engagement with our shareholders, communicating directly with the holders of our outstanding common stock each year regarding the Company's performance and responding to any questions or issues they may raise. We encourage shareholders to communicate with us regarding our corporate governance and executive compensation. Communications from shareholders on these subjects are reported to the Compensation Committee or the Corporate Governance Committee, as appropriate.

Based on the foregoing objectives, the Committee has structured the Company's annual and long-term incentive-based cash and non-cash executive compensation to motivate executives to achieve the business goals set by the Company and reward the executives for achieving such goals.

Independent Compensation Consultant

The Committee has retained Blanchard Consulting Group (“Blanchard”), an independent third party consultant, to provide research for benchmarking purposes related to executive compensation. Blanchard is a national firm with an exclusive focus on the banking and financial services industry. Blanchard does not provide any services to the Company besides compensation consulting services, and reports directly to the Compensation Committee. The Compensation Committee has evaluated Blanchard’s independence, including the factors relating to independence specified in Nasdaq Stock Market Listing Rules, and determined that Blanchard is independent.

Additionally, the Company subscribes to and participates in the Mississippi Bankers Association survey, which provides the Committee with comparative compensation data from the Company’s market areas and its peer groups. This information is used by the Committee to ensure that it is providing compensation opportunities comparable to its peer group, thereby allowing the Company to retain talented executive officers who contribute to the Company’s overall long-term success.

In 2018, the Committee utilized Blanchard to assess NEO base salary and total compensation as compared to a peer group of twenty-five publicly traded banks. The peer companies included the following:

1	Fidelity Southern Corporation	LION
2	State Bank Financial Corporation	STBZ
3	Community Trust Bancorp, Inc.	CTBI
4	FB Financial Corporation	FBK
5	Stock Yards Bancorp, Inc.	SYBT
6	Franklin Financial Network, Inc.	FSB
7	Stonegate Bank	SGBK
8	Capital City Bank Group, Inc.	CCBG
9	Atlantic Capital Bancshares, Inc.	ACBI
10	Wilson Bank Holding Co.	WBHC
11	Bear State Financial, Inc.	BSF
12	National Commerce Corporation	NCOM
13	MidSouth Bancorp, Inc.	MSL
14	Carolina Financial Corporation	CARO
15	Farmers Capital Bank Corporation	FFKT
16	Home Bancorp, Inc.	HBCP
17	First Guaranty Bancshares, Inc.	FGBI
18	Charter Financial Corporation	CHFN
19	Southern First Bancshares, Inc.	SFST
20	CapStar Financial Holdings, Inc.	CSTR
21	Colony Bankcorp, Inc.	CBAN

22 Investar Holding Corporation	ISTR
23 SmartFinancial, Inc.	SMBK
24 Kentucky Bancshares, Inc.	KTYB
25 Citizens Holding Company	CIZN

The Compensation Committee utilized Blanchard's reports and reviews to assist with decisions regarding NEO compensation during 2018 but did not solely rely on them. The ultimate decisions made by the Committee were a balance between the Committee's compensation philosophy and strategy along with the outside perspective of our independent consultant.

Compensation Policies and Practices as They Relate to Risk Management

The Company's compensation plans utilize a balance of profitability and strategic goals such as core deposit growth, asset quality, and audit/compliance ratings to ensure the officers of the Company are focusing both on profits and strategic goals that are linked to the long-term viability of the organization.

The Compensation Committee has reviewed with the Bank's Chief Risk Officer the NEO incentive compensation arrangements and has determined that such arrangements do not encourage NEOs to take unnecessary and excessive risks that are reasonably likely to have a material adverse effect on the Company.

2018 Executive Compensation Components

Historically, and for the fiscal year ended December 31, 2018, the principal components of compensation for named executive officers consisted of the following:

• base salary;

• performance-based cash incentive bonus compensation;

• equity incentive compensation based on achievement of performance targets;

• retirement and other benefits; and

• perquisites and other personal benefits.

Base Salary

The Company provides named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. When determining salary increases, the Committee determines a base salary range and targets the median of the range (50th percentile) for executives that are meeting performance expectations and the upper quartile of the range (75th percentile) for executives that are high performers or exceeding performance expectations. Base salary ranges for named executive officers are determined for each executive based on the Company's peer group and the competitive market using market research and based on his or her position and responsibility.

During its review of base salaries for executives, the Committee primarily considers: 1) performance of the Company; 2) market data provided by the Company's outside consultants; 3) the level of the executive's compensation, both individually and relative to other officers; and 4) individual performance of the executive. Salary levels are typically considered annually as part of the Company's performance review process as well as upon a promotion or other change in job responsibility. Merit based-increases to salaries of the named executive officers are based on the Committee's assessment of the individual's performance. Salary reviews are typically performed in the fourth quarter of the year for which the executive's performance is evaluated, and corresponding salary adjustments are made during the same quarter of the fiscal year. The chart below shows salary adjustments in connection with performance reviews completed in fiscal 2018.

In light of the performance of the Bank in fiscal 2018, and the NEO's contributions to the Bank's strategy, including completion and negotiation of acquisitions during the fiscal year, the Committee recommended to the Board and the Board approved, the following base salary adjustments:

	2017 Base Salary	2018 Base Salary	% Increase	
M. Ray (Hoppy) Cole, Jr.	\$ 401,433	\$ 441,576	10	%
Donna T. (Dee Dee) Lowery	\$ 223,000	\$ 234,150	5	%

Performance-Based Cash Incentive Bonus Compensation

The Company has established an incentive bonus compensation plan that is based upon individual performance as well as Company performance. Cash incentive payments that are authorized to be paid to eligible officers under the cash incentive plan are payable on an annual basis during the year following the year in which the services were performed and are contingent upon such executive officer's continued employment with the Company through the date of payment.

During the first quarter of 2018, independent directors of the Board, upon the recommendation of the Compensation Committee, established short-term cash incentive awards for executive officers as percentages of their 2018 base salary, with maximum earning opportunities that ranged from 15% to 30% of base salary, depending upon the executive.

Fiscal 2018 performance goals for the NEOs for the cash-based incentive plan included Bank pre-tax net income, loan growth, deposit growth, and for Ms. Lowery only, the results of an internal audit review. The NEOs were also rated on individual goals pursuant to a scorecard described in more detail below.

The range of specific targets and relative weights for each performance metric were as follows:

	Threshold – 50% of Incentive	Maximum – 100% of Incentive	Actual	Payout % Earned	
Bank Pre-Tax Net Income	\$ 30,822,000	\$ 32,363,100	\$ 34,183,598	100	%
Bank Total Loan Growth	1,828,014,165	1,866,091,482	2,060,421,614	100	%
Bank Total Deposits	2,079,879,002	2,102,434,395	2,460,539,993	100	%
Internal Audit Review	2	1	1	100	%
Individual Scorecard	3	4	4	100	%

In addition to financial performance measures described above, each named executive officer in the Company has unique individual performance goals in up to seven categories. The incentive plan provides each eligible officer with a “balanced scorecard” that establishes specific corporate and shareholder-related performance goals balanced by the officer’s area of responsibility, his or her business unit, and his or her expected individual level of contribution to the

Company's achievement of its corporate goals The particular individual performance measures were designed to reward the actions determined to be most important for that individual to achieve for the specified year. A rating of 1 through 4 was assigned for each NEO commensurate with performance. For fiscal 2018, performance for each of the NEOs was measured in the following areas:

·Leadership;

- -
 -
 -
 -
 -
 -
- Strategic Planning;
Financial Results;
Succession Planning;
Human Resources;
Internal Communications;
External Relations; and
Board/CEO Communication.

Based on the achievement of the performance metrics described above, the following cash bonuses were awarded for the year ended December 31, 2018:

M. Ray (Hoppy) Cole, Jr.:

	Target Payout as a % of Salary		Payout % Earned		Payout as a % of Salary		Actual Incentive Earned
Bank Pre-Tax Income	10	%	100	%	10	%	\$44,158
Bank Loan Growth	5	%	100	%	5	%	22,079
Bank Deposit Growth	5	%	100	%	5	%	22,079
Individual Scorecard	10	%	100	%	10	%	44,157
Total	30	%			30	%	132,473

Donna T. (Dee Dee) Lowery:

	Target Payout as a % of Salary		Payout % Earned		Payout as a % of Salary		Actual Incentive Earned
Bank Pre-Tax Income	4	%	100	%	4	%	\$ 8,920
Bank Loan Growth	2	%	100	%	2	%	4,460
Bank Deposit Growth	2	%	100	%	2	%	4,460
Average Audit Results	3	%	100	%	3	%	6,690
Individual Scorecard	4	%	100	%	4	%	8,920
Total	15	%			15	%	33,450

Equity Incentive Compensation

The Company makes awards of restricted stock to the NEOs pursuant to the terms and conditions of The First Bancshares, Inc. 2007 Stock Incentive Plan (the "2007 Plan"), generally based on the achievement of identified performance metrics. The Committee utilizes restricted stock as a long-term retention vehicle for key officers. In 2018, the Board, upon the recommendation of the Compensation Committee, established target performance-based long-term equity incentive awards for executive officers using shares of restricted stock with maximum earning opportunities of up to 6,500 shares for Mr. Cole and up to 3,300 shares for Ms. Lowery. Similar to the cash-based annual incentive plan, a pay-for-performance approach is used to determine the number of shares of restricted stock granted to each plan participant. In February of 2018, the Board established performance goals to be achieved over a one-year performance period ending December 31, 2018. The actual number of shares of restricted stock granted was

determined based on the achievement of the performance goals. The performance goals utilized in the long-term plan design are linked to both corporate and shareholder performance criteria. For 2018, the performance goals included bank pre-tax net income, asset growth and credit quality as determined by a bank-wide credit administration score, as described in more detail below. The number of shares of restricted stock earned and issued pursuant to the award is determined based on the Bank's achievement of the performance goals, and once granted the award is subject to cliff vesting on the fifth anniversary of the vest date.

The range of specific targets and relative weights for each performance metric were as follows:

	Threshold – 25% of Shares Earned	Target – 50% of Shares Earned	Maximum – 100% of Shares Earned	Actual
Bank Pre-Tax Income – 33% of Award	\$27,739,800	\$30,822,000	\$32,363,100	\$34,183,598
Total Bank Assets – 33% of Award	2,257,549,376	2,508,388,195	2,633,807,605	2,996,505,621
Bank-wide Credit Administration Score – 34% of Award	3	2	1	1

Results falling between the specified values reflected above result in proportional adjustment of the payout amounts.

Achievement of the performance measures set forth above for the year ended December 31, 2018 resulted in the following number of shares granted as restricted stock awards in March of 2019:

	Total Number of Shares at Maximum	Bank Pre-Tax Income – 33% of Award	Total Assets – 33% of Award	Bank-wide Credit Administration Score – 34% of Award	Total Shares of Restricted Stock Awarded
M. Ray (Hoppy) Cole, Jr.	6,500	2,145	2,145	2,210	6,500
Donna T. (Dee Dee) Lowery	3,300	1,089	1,089	1,122	3,300

Special Equity Grants

On August 16, 2018, the Board of Directors awarded a special grant of restricted stock in the amount of 1,682 shares for Mr. Cole and 488 shares for Ms. Lowery for the successful completion and integration of the acquisition of First Community Bank and Sunshine Community Bank. The grants will cliff vest after five years from the grant date.

Vesting and Retention Provisions Applicable to Equity Awards

The Company has implemented a policy that all shares granted through the 2007 Plan will include at least a three-year vesting schedule, unless extraordinary circumstances are determined by the Board. Beginning in 2014, the restricted stock awards earned based on the satisfaction of performance metrics will cliff vest on the fifth anniversary of the grant date, assuming the continued service of each of the holders through such vesting date. Vesting of such Awards will be accelerated in the event of the holder's death while in the service of the Company or upon such other event as determined by the Committee in its sole discretion. The 2007 Plan also contains a double trigger change-in-control provision pursuant to which unvested shares of stock granted through the plan will be accelerated upon a change in control if the executive is terminated without cause as a result of the transaction (as long as the shares granted remain part of the Company or are transferred into the shares of the new company). Unvested shares of restricted stock are subject to clawback and forfeiture provisions and may not be sold, pledged, or otherwise transferred or hedged during the vesting period.

Stock Ownership Guidelines

The Committee has established expectations for ownership of our common stock by our CEO and CFO. Under these guidelines, our CEO is expected to attain an investment position in our common shares equal to two times his or her base salary and our CFO is expected to attain an investment position in our common shares equal to one times his or her base salary. Exceptions to these ownership guidelines may be approved by Compensation Committee for good reason. At December 31, 2018, all of our NEOs were in compliance with the ownership guidelines.

Clawback, Repricing, Underwater Grant Buyback and Hedging Policies

As a matter of policy, the Committee believes that incentive compensation awards that are made on the basis of financial metrics should contain clawback provisions that would allow the Company to recoup awards under certain circumstances such as a material misstatement of financial results. The Committee implemented a clawback policy applicable to all short-term and long-term incentives beginning in 2018.

The Committee's philosophy provides that the Company will not reprice options, stock appreciation rights, or other equity awards, or buy back "underwater" stock options from those who hold option grants for cash. The Company's Board has approved an amendment to the 2007 Plan to prohibit repricing of equity awards granted under the plan and to prohibit the cash buyback or exchange for other stock awards of underwater options and stock appreciation rights.

Certain transactions in the Company's equity securities, or which are linked to the value of the Company's equity securities, may be considered short term or speculative in nature. The Board of Directors has implemented a policy that prohibits directors and officers from engaging in derivative or speculative transactions involving unvested company stock, including hedging, holding unvested stock in a margin account, or pledging unvested stock as collateral for a loan.

Retirement and Other Benefits

All employees of the Company, including named executive officers, are eligible to participate in The First Bancshares, Inc. 401(k) Plan and Trust (the "401(k) plan"). We adopted the 401(k) plan to enable employees to save for retirement through a tax-advantaged combination of employee and Company contributions and to provide employees the opportunity to directly manage their retirement plan assets through a variety of investment options. The 401(k) plan allows eligible employees to elect to contribute up to 100% of their eligible compensation, up to the annual IRS dollar

limit. Eligible compensation generally means all wages, salaries and fees for services paid by us. We contribute 50% of the employee's deferral (up to a maximum of 6%) for each eligible employee per year to their 401(k) plan. We may also elect to make a discretionary profit sharing contribution for each eligible employee. No discretionary contributions were made in 2018.

The Company sponsors an Employee Stock Ownership Plan (ESOP), which was established in 2006 for employees, including NEOs, who have completed one year of service for the Company and attained age 21. Employees become fully vested after five years of service. Contributions to the plan are made by the Company only and are at the discretion of the Board of Directors. At December 31, 2018, the ESOP held 5,728 shares of Company common stock and had no debt obligation. There were no Company contributions to the ESOP in 2018.

Supplemental Executive Retirement Plans

The NEOs participate in a Supplemental Executive Retirement Plan (SERP) that provides for an annual supplemental retirement benefit in the fixed amount of \$164,110 for Mr. Cole and \$89,140 for Ms. Lowery. Mr. Cole and Ms. Lowery vest 10% per year until full vesting occurs following ten years of service, and both are currently 50% vested in the benefit. Amounts become payable upon their death, disability, termination of employment, change in control of the Company or retirement. The benefit is forfeited in the event of termination for "Cause" as described in the agreement. Except in cases of death or disability, the benefit will commence on the first day of the month following their 65th birthday.

Perquisites and Other Personal Benefits

The Company provides named executive officers with perquisites and other personal benefits that the Company and the Committee believe are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers.

The named executive officers participate in the Company's broad-based employee benefit plans, such as medical, dental, supplemental disability and term life insurance programs. Mr. Cole is provided use of a company automobile which is primarily used for business travel. Personal use is taxed through the Company's payroll process. Mr. Cole and Ms. Lowery are entitled to receive a cash payment upon such executive's death through the split dollar death benefit funded by bank owned life insurance.

Attributed costs of the personal benefits described above for the named executive officers for the fiscal year ended December 31, 2018, are included in the "All Other Compensation" column of the "Summary Compensation Table".

Agreements with NEOs

Employment Agreement with Mr. Cole

In connection with his election as President and CEO of the Bank, the Bank and Mr. Cole entered into an employment agreement, effective May 31, 2011 (the "Agreement"). The Agreement provides for Mr. Cole to serve as President and CEO of the Bank for terms of three years beginning January 1, 2011, with automatic rolling three-year extensions, unless either the Bank or Mr. Cole provides 90 days' notice of non-extension, in which case the Agreement would expire at the end of the then-current term. No prior notice is required in the case of termination for Cause.

Mr. Cole is paid a base salary subject to annual review as the Board of Directors may determine and is eligible to earn an annual cash bonus. Mr. Cole is also eligible to receive equity compensation awards on such basis as the Board of Directors determines and is eligible to participate in any benefit plans or programs that are offered to senior executives generally.

On any cessation of employment, Mr. Cole will be entitled to his earned but unpaid base salary. If Mr. Cole's employment is terminated by the Bank without Cause, or if he voluntarily terminates his employment for Good Reason, each, as defined in his agreement, he will be entitled to a pro rata portion of the annual incentive payment for the year in which the termination occurs, and a lump sum payment in an amount equal to the greater of (i) the remaining salary due had Mr. Cole been employed through the end of the current term or (ii) eighteen months of his current salary, in addition to continued benefits through the end of the current term.

In the event there is a change in control, Mr. Cole will be entitled to (i) a lump sum payment equal to two times his base salary, (ii) all payments, benefits, bonuses or incentives, subject to their plan document, that would ordinarily be available to other employees, and (iii) accelerated vesting of any unvested deferred compensation. If Mr. Cole's employment is terminated by the Bank without Cause or he resigns for Good Reason, he will be entitled to continuing medical, life and disability insurance coverage on the same basis as prior to termination for the remainder of the then current term.

If Mr. Cole's employment is terminated due to disability, his salary would continue for six months or, if earlier, until the date payment begins under his disability policy, in addition to the earned compensation and bonus described below. If Mr. Cole dies during the term, he or his designated beneficiary, spouse or estate will be entitled to a lump sum payment of his earned compensation and pro-rata share of his annual bonus target amount for that year.

For purposes of the Agreement, "Good Reason" means (i) the failure to continue in effect any material benefit set forth in the Agreement (unless done on a Bank-wide basis), (ii) a material breach of the agreement by the Bank, or (iii) a Change in Control.

For purposes of the Agreement, "Change in Control" means (i) the acquisition by any person or group of the power to vote, or the acquisition of, more than 50% ownership of the Company's voting stock, (ii) the acquisition by any person or group, during the twelve month period ending on the date of the most recent acquisition, of ownership of stock possessing fifty percent (50%) or more of the total voting power of the stock of the Company, (iii) the replacement during any twelve month period of a majority of the members of the Board of Directors of the Company by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors before the date of such appointment or election, or (iv) the acquisition by any person or group, during the twelve month period ending on the date of the most recent acquisition, of assets of the Bank having a total gross fair market value of more than eighty percent (80%) of the total gross fair market value of all of the assets of the Bank immediately prior to such acquisition.

Under the Agreement, Mr. Cole is subject to standard confidentiality, non-solicitation and non-competition obligations during the term of the Agreement and for at least one year after his employment ends.

Change in Control Agreement with Ms. Lowery

The Company entered into a Change in Control Agreement with Ms. Lowery that provides for certain benefits upon a Change in Control, as defined above. If, following a Change in Control, Ms. Lowery's employment is involuntarily terminated other than for Cause or she resigns her position for Good Reason, she would be entitled to (i) a lump sum

payment equal to two times her then-current base salary, (ii) continued benefits through the closing date of the Change in Control and for twenty-four months following the closing date, and (iii) immediate vesting of all cash-based and stock-based compensation, and any benefits under deferred compensation plans, subject to the achievement of performance-based conditions.

The amounts which would have been payable to Mr. Cole and Ms. Lowery, assuming a termination event on December 31, 2018, are provided in the Potential Payments Upon Termination or Change in Control Table beginning on page 31.

Deductibility of Executive Compensation

Although deductibility of compensation is preferred, tax deductibility is not a primary objective of our compensation programs. We believe that achieving our compensation objectives set forth above is more important than the benefit of tax deductibility and we reserve the right to maintain flexibility in how we compensate our executive officers, even if it may result in limiting the deductibility of amounts of compensation from time to time.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was an officer or employee of the Company or any of its subsidiaries during 2018, nor has any member of the Committee ever been an officer or employee of the Company or any of its subsidiaries. In addition, none of the executive officers of the Company served on the Board of Directors or on the compensation committee of any other entity, for which any executive officers of such other entity served either on our Board of Directors or on our Compensation Committee.

Compensation Committee Report

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

This Report is submitted by the Compensation Committee of the Board of Directors of The First Bancshares, Inc.

E. Ricky Gibson, Chairman
David W. Bomboy
Ted E. Parker
Andrew D. Stetelman

Executive Compensation Tables

The First Bancshares, Inc.

Summary Compensation Table

For the Fiscal Years Ended December 31, 2018, December 31, 2017 and December 31, 2016

Name and Principal Position	Year	Salary	Non-equity Incentive Plan Compensation (1)	Stock Awards (2)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (3)	All Other Compensation (4)	Total
M. Ray (Hoppy) Cole, Jr., President and Chief Executive Officer	2018	\$413,063	\$132,473	\$274,928	\$58,145	\$14,994	\$893,603
	2017	386,173	80,287	293,694	55,040	21,481	836,675
	2016	360,374	0	189,681	423,968	44,505	1,018,528
Donna T. (Dee Dee) Lowery, Chief Financial Officer	2018	222,675	33,450	124,594	24,225	9,182	414,126
	2017	198,687	24,530	117,173	22,932	8,315	371,637
	2016	184,357	27,450	70,800	176,639	7,593	466,839

(1) Reflects annual incentive award payments pursuant to our incentive bonus compensation plan. See “*Compensation Discussion and Analysis – 2018 Executive Compensation Components-Performance-Based Cash Incentive Bonus Compensation*” beginning on page 17 for more information.

(2) Represents the grant date fair value of all time-based and performance-based restricted stock awards granted during the fiscal year. Performance-based awards were granted on February 15, 2018, and will be settled solely in shares of restricted stock at the end of a one-year performance period based on the satisfaction of the performance criteria. The shares of restricted stock will cliff vest five years from the date the shares are earned. The amounts presented for the performance-based restricted stock reflect the value of the award at maximum payout based on the probable outcome of the performance targets determined as of the grant date. For time-based and performance-based restricted stock awards, grant date fair value is calculated using the closing price of the Company’s common stock on the date of grant. Grant date fair value was based on \$31.70, the closing share price on the grant date of February 15, 2018 for the performance-based awards, and \$40.95, the closing share price on the grant date of August 16, 2018 for the time-based awards, in accordance with FASB Topic 718.

(3) Reflects changes in present value of NEO's supplemental executive retirement plan.

(4) See additional description in *2018 All Other Compensation Table*.

The First Bancshares, Inc.

All Other Compensation

For the Year Ended December 31, 2018

Name	Year	Auto Allowance	401(k) Match	Group Term Life Insurance	Split Dollar Death Benefit BOLI	Additional Compensation (1)	Total All Other Compensation
M. Ray (Hoppy) Cole, Jr.	2018	\$ 2,475	\$8,250	\$ 385	\$ 212	\$ 3,672	\$ 14,994
Donna T. (Dee Dee) Lowery	2018	0	6,913	385	144	1,740	9,182

(1) Represents reimbursement for club dues and cell phones for named executive officers.

The First Bancshares, Inc.

Grants of Plan Based Awards

As of December 31, 2018

Name	Grant Date	Estimated Future Payouts Under Non-Equity Plan Awards(1)		Estimated Future Payouts Under Equity Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards(4)
		Threshold	Target	Threshold	Target	Maximum		
M. Ray (Hoppy) Cole, Jr.	2/15/18	\$ -	\$ -	1,625	3,250	6,500		\$ 206,050
	8/16/2018	-	-				1,682 (3)	68,878
	2/13/2018	66,236	132,473				-	-
Donna T. (Dee Dee) Lowery	2/15/18	-	-	825	1,650	3,300		\$ 104,610
	8/16/2018	-	-				488 (3)	19,984
	2/13/2018	16,725	33,450				-	-

(1) Amounts represent potential payments under our annual incentive program. The actual amount earned in 2018 was paid in February 2019 and is shown in the “Non-Equity Incentive Plan Compensation” column of the 2018 Summary Compensation Table. See “Compensation Discussion and Analysis — 2018 Executive Compensation Components – Performance-Based Cash Incentive Bonus Compensation,” for more information regarding our 2018 annual incentive program.

(2) Amounts represent awards of performance-based restricted stock that will be granted under the 2007 Plan based upon the Company’s achievement of certain performance measures at the end of the one-year performance period. Based on the defined objectives of the awards the NEO has the opportunity to earn shares of restricted stock of 25% at threshold, 50% at target and 100% at maximum following the one-year performance period, and such shares will cliff vest five years from date earned. The amount shown reflects the value of the award at maximum based on the probable outcome of the performance measures, determined as of the grant date in accordance with ASC 718. See “Compensation Discussion and Analysis — 2018 Executive Compensation Components – Equity Incentive Compensation”

for more information on the grants of performance-based restricted stock.

(3) Represents special equity grants for completion of acquisition integration. See “*Compensation Discussion and Analysis — 2018 Executive Compensation Components – Special Equity Grants*” for more information on these grants.

(4) Represents the aggregate grant date fair value of performance-based and time-based restricted stock awarded during the fiscal year, computed in accordance with FASB ASC Topic 718. Refer to footnote 2 of the 2018 Summary Compensation Table for additional information.

The First Bancshares, Inc.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2018

Name	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested \$(2)	Vesting Date (1)
M. Ray (Hoppy) Cole, Jr.	2,000	\$ 30,000			11/03/2019
	8,814	122,955			02/01/2020
	10,106	173,318			02/01/2021
	575	10,350			03/01/2021
	10,717	296,325			02/01/2022
	3,584	99,994			06/13/2022
	5,829	185,071			03/01/2023
	1,682	68,878			08/16/2023
				6,500	\$ 206,050
Donna T. (Dee Dee) Lowery	800	12,000			11/03/2019
	4,000	55,800			02/01/2020
	3,276	56,183			02/01/2021
	4,000	110,600			02/01/2022
	675	18,833			06/13/2022
	2,960	93,980			03/01/2023
	488	19,984			08/16/2023
			3,300	104,610	

(1) Awards shown will vest based upon the Company's achievement of certain performance over a one-year period ending December 31, 2018. Awards are shown at maximum.

(2) All awards are cliff vested five years from the grant date. Performance-based restricted stock will cliff vest five years from date the shares of restricted stock are earned and issued if performance conditions are satisfied.

The First Bancshares, Inc.

Stock Vested

For the Year Ended December 31, 2018

Name	Stock Awards Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting \$(2)
M. Ray (Hoppy) Cole, Jr.	0	0
Donna T. (Dee Dee) Lowery	0	0

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The First Bancshares, Inc.

Pension Benefits Table

For the Year Ended December 31, 2018

Name and Principal Position	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit(1)	Payments During Last Fiscal Year
M. Ray (Hoppy) Cole, Jr., President and Chief Executive Officer	The First, A National Banking Association Supplemental Executive Retirement Agreement	16	\$ 1,088,946	\$ 0.00
Donna T. (Dee Dee) Lowery, Chief Financial Officer	The First, A National Banking Association Supplemental Executive Retirement Agreement	14	453,688	0.00

(1) The present value of accumulated benefit is based on a 5.5% discount rate. For more information on the Supplemental Executive Retirement Plan, see "Supplemental Executive Retirement Plans" in the Compensation Discussion and Analysis provided above.

The First Bancshares, Inc.

Potential Payments Upon Termination or Change-in-Control

As of December 31, 2018

Executive Benefits and Payments Upon Termination or Change-in-Control	Normal Retirement	Death	Disability	Termination without Cause or for Good Reason	Change in Control Only	Termination without Cause Following Change in Control
M. Ray (Hoppy) Cole, Jr. Compensation:						
Base Salary	\$-	\$-	\$220,788(1)	\$671,494 (2)	\$1,015,625(3)	N/A
Benefits & Perquisites:						
BOLI Death Benefit	-	200,000	-	-	-	-
Restricted Stock Awards	1,310,037(4)	1,310,037(4)	-	-	1,310,037(5)	1,310,037(6)
Supplemental Executive Retirement Plan (SERP)	1,088,946(8)	2,961,650(10)	433,314(11)	173,325 (12)	1,088,946(13)	1,088,946(14)
Donna T. (Dee Dee) Lowery Compensation:						
Base Salary	-	-	-	-	-	516,379 (15)
Benefits & Perquisites:						
BOLI Death Benefit	-	200,000	-	-	-	-
Restricted Stock Awards	490,020 (4)	490,020 (4)	-	-	490,020 (5)	490,020 (6)
Supplemental Executive Retirement Plan (SERP)	453,688 (9)	1,337,100(10)	144,152(11)	57,661 (12)	453,688 (13)	453,688 (14)

The First Bancshares, Inc.

Potential Payments Upon Termination or Change-in-Control (Continued)

As of December 31, 2018

- (1) In the event of Mr. Cole's disability, salary will continue for 6 months or, if earlier, until the date payments begin under disability insurance policy. Mr. Cole will also receive a pro rata bonus for the year of the disability.

- (2) In the event of termination without cause, Mr. Cole will receive a lump sum severance payment and continuation of health benefits in an amount equal to the greater of 18 months or through the end of the term. Amount shown includes eighteen months salary of \$671,494 plus health benefits of \$9,130 through the end of the expiration of the contract term, 5-31-20.

- (3) In the event of a change in control, Mr. Cole will receive a lump sum severance in the amount of two times current annual salary, and bonuses accrued that would have been paid.

- (4) All non-vested restricted stock awards will become fully vested at the retirement or death of the NEOs. None of the NEOs have reached retirement age under the restricted stock award agreement, which is 65. Calculated based on 12-31-18 stock closing price of \$30.25 per share.

- (5) All non-vested restricted stock awards will become fully vested in the event of a change of control in which the Company is not the survivor or if the acquirer does not assume the obligations. Calculated based on 12-31-18 stock closing price of \$30.25 per share.

- (6) Ms. Lowery's change-in-control agreement provides for two times current annual salary plus benefits for 24 months after closing date and incentive payment.

- (7) All non-vested restricted stock awards will become fully vested if termination without cause occurs within 24 months of a change in control in which the Company is the survivor or the acquirer has assumed the obligations. Calculated based on 12-31-18 stock closing price of \$30.25 per share.

- (8) Upon Mr. Cole's Separation from Service following attainment of age 65, Normal Retirement Benefit shall be \$164,110 per year for 15 years, payable in 180 equal monthly installments. Amount shown represents the net present value of the benefit at normal Retirement. Mr. Cole had not reached retirement age at December 31, 2018.

- (9)

Upon Ms. Lowery's Separation from Service following attainment of age 65, Normal Retirement Benefit shall be \$89,140 per year for 15 years, payable in 180 equal monthly installments. Amount shown represents the net present value of the benefit at normal Retirement. Ms. Lowery had not reached retirement age at December 31, 2018.

In the event of death while in active service of the bank, Mr. Cole and Ms. Lowery shall be paid lump sum (10) payments of \$2,961,650 and \$1,337,100, respectively. In the event of death during benefit payment period, beneficiary(s) shall receive remaining installment payments.

(11) In the event of disability, Mr. Cole and Ms. Lowery would receive a benefit equal to 100% of the accrued liability balance calculated as of the date of disability

(12) Upon the NEO's termination without cause or for good reason prior to age 65, the benefit shall be equal to the vested portion of the accrued liability balance calculated as of the date of Separation from Service.

(13) Upon a change in control of the Company, the NEO would be entitled to receive 100% of that present value of the full normal retirement benefit.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Act, we are providing the following information about the relationship of the annual total compensation of our median employee and the annual total compensation of our CEO.

To identify the median employee we conducted a full analysis of our employee population, other than the CEO, without the use of statistical sampling. We determined our median employee using Box 5 wages of the employee's W-2 for the full year 2018. Using this methodology, we determined that the median employee was a Mortgage Loan Originator. With respect to the annual total compensation of the median employee, we identified and calculated the elements of such employee's compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, which included base pay, bonuses, commissions, fringe benefits, incentives, severance, Company contributions to the employee's 401(k) and any vacation payout.

For 2018, our last completed fiscal year, the annual total compensation of our median employee was \$34,040, and the annual total compensation of our CEO was \$893,603. Based on this information, for 2018, the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees was 26 to 1.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding option, warrants and rights	Weighted-average exercise price of outstanding options, warrants, and rights	Number of securities remaining available to future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	-0-	-0-	136,162 shares
Equity compensation plans not approved by security holders	-0-	-0-	-0-
Total	-0-	-0-	136,162 shares

Director Compensation

Fees Earned or Paid in Cash. Directors serving on the Company's Board were paid an annual retainer of \$5,000. In order to receive the retainer, directors of the Company must attend at least 75% of the scheduled board and committee meetings during the year. Company directors were paid an additional \$750 per meeting, which consisted of four regularly scheduled meetings and five special meetings in 2018. Directors who served on the audit committee of the Company's Board of Directors were paid \$500 per meeting; directors who served on the compensation committee of the Company's Board of Directors were paid \$350 per meeting; directors who served on the corporate governance committee of the Company's Board of Directors were paid \$350 per meeting; and directors who served on the executive committee of the Company's Board of Directors were paid \$450 per meeting. The Chairman of the Board was paid a retainer of \$7,000 per quarter. Each of the chairmen of the audit, compensation and corporate governance committees were paid an additional retainer of \$750 per quarter.

Directors serving on the Bank's Board were paid an annual retainer of \$8,000. In order to receive the retainer, directors of the Bank must attend at least 75% of the scheduled Bank Board and committee meetings during the year. The Bank directors were paid an additional \$700 per meeting which consisted of twelve regularly scheduled meetings in 2018. Directors who served on the risk and loan committees of the Bank's Board of directors were paid \$350 and \$300 per meeting, respectively. The chairman of the risk committee of the Bank's Board of directors was paid an additional retainer of \$750 per quarter.

Stock Awards. Directors of the Boards of both the Company and the Bank are awarded restricted stock grants of 1,000 shares. The Chairman of the Board, who is a director of both the Company and Bank, is awarded a restricted stock grant of 2,500 shares. Directors of the Bank who are not directors of the Company are awarded a restricted stock grant of 250 shares, and directors of the Company who are not directors of the Bank are awarded a restricted stock grant of 500 shares. The grants are made as of March 1st each year and vest after a period of five years.

The First Bancshares, Inc.

Director Compensation Table

For the Year Ended December 31, 2018

The table below summarizes the total compensation paid to or earned by our non-employee directors during 2018. M. Ray (Hoppy) Cole, Jr. did not receive director stock awards nor did he receive director fees for his service on the Board of Directors for the Company or the Bank.

	Fees Earned or Paid in Cash(1)	Stock Awards (\$)(2)(3)	All Other Cash Compensation	Total
Rodney D. Bennett, Ed.D	\$ 34,050	\$ 31,750	-	\$65,800
David W. Bomboy, M.D.	35,950	31,750	-	67,700
E. Ricky Gibson	81,350	79,375	-	160,725
Charles R. Lightsey	54,500	31,750	-	86,250
Fred A. McMurry	37,900	31,750	-	69,650
Thomas E. Mitchell	36,700	31,750	-	68,450
Ted E. Parker	39,250	31,750	-	71,000
J. Douglas Seidenburg	45,250	31,750	-	77,000
Andrew D. Stetelman	37,250	31,750	-	69,000

(1) Includes meeting fees and annual retainer paid to directors of the Bank.

Value based on value at grant date of \$31.75 per share for 1,000 shares to each director serving on the Boards of (2) both the Bank and the Company and 2,500 shares to the Chairman of the Board, and valued in accordance with FASB Topic 718.

(3) Refer to the Beneficial Ownership Table, "Security Ownership of Directors and Executive Officers" for information on each director's unvested shares of restricted stock.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information regarding the beneficial ownership of common stock in the Company owned by the directors, director nominees, and NEOs, as of March 22, 2019.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
Rodney D. Bennett, Ed.D	4,250 (3)	*
David W. Bomboy, M.D.	128,080 (4)	*
M. Ray (Hoppy) Cole, Jr.	73,929 (5)	*
E. Ricky Gibson	102,918 (6)	*
Charles R. Lightsey	91,356 (7)	*
Fred A. McMurry	227,232 (8)(14)	1.32 %
Thomas E. Mitchell	5,250 (9)	*
Ted E. Parker	84,672 (10)	*
J. Douglas Seidenburg	99,490 (11)	*
Andrew D. Stetelman	50,917 (12)	*
Donna T. (Dee Dee) Lowery	34,546 (13)(14)	*
Directors and Executive Officers as a group	737,927	4.27 %

* Represents less than 1% of issued and outstanding common stock.

- (1) Includes shares for which the named person:
 -has sole voting and investment power,
 -has shared voting and investment power with a spouse, or
 -holds in an IRA or other retirement plan program, unless otherwise indicated in these footnotes.
- (2) Calculated based on 17,272,731 shares outstanding.

- (3) Includes 2,250 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (4) Includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (5) Includes 49,807 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.

- (6) Includes 12,500 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (7) Includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
Includes 140,347 shares registered to Oak Grove Land Company, Inc. Fred A. McMurry is a 50% owner of Oak Grove Land Company, Inc. Mr. McMurry disclaims beneficial ownership of the shares held by Oak Grove Land Company, Inc. except to the extent of his ownership interest therein. Also includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (8) Includes 2,250 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (9) Includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
Includes 2,500 shares registered to M.D. Outdoor LLC. J. Douglas Seidenburg is a Member and 50% owner of M.D. Outdoor LLC. Mr. Seidenburg disclaims beneficial ownership of the shares held by M.D. Outdoor, LLC except to the extent of his ownership interest therein. Also includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. Stock Incentive Plan.
- (10) Includes 5,000 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
- (11) Includes 19,499 shares of unvested restricted stock granted under The First Bancshares, Inc. 2007 Stock Incentive Plan.
Includes shares pledged as of March 22, 2019 as follows: Fred A. McMurry – 74,287 shares as collateral for a bank loan; Oak Grove Land Company, of which Mr. McMurry owns 50%, 82,318 shares as collateral for a bank loan; and Donna T. (Dee Dee) Lowery – 7,898 shares as collateral for a margin account held at a brokerage firm. The aggregate number of shares pledged by directors and executive officers as of March 22, 2019 represents less than 1% of the Company’s issued and outstanding shares of common stock.

SECURITY OWNERSHIP OF

CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding the beneficial ownership of common stock in the Company owned by certain beneficial owners with more than five percent ownership in the Company’s stock as of March 22, 2019.

Name and Address of Beneficial Owner	Amount and Common Stock Beneficially Owned	Percent of Class (1)
RMB Capital Holdings, LLC, and affiliates 15 S. LaSalle Street, 34 th Floor Chicago, IL 60603	1,284,107	(2) 7.43 %

T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	1,151,480	(3)	6.67	%
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(1) Calculated based on 17,272,731 shares outstanding.

Based on Schedule 13G/A filed February 14, 2019 by RMB Management, LLC and affiliates providing the following holdings based on shared voting and dispositive power over 1,284,107 shares in the aggregate as (2) follows: RMB Capital Holdings, LLC (1,284,107 shares), RMB Capital Management, LLC (1,284,107 shares), Iron Road Capital Partners, LLC (51,183 shares), RMB Mendon Managers, LLC (779,380 shares), Mendon Capital Advisors Corp. (453,544).

- (3) Based on Schedule 13G filed February 14, 2019 by T. Rowe Price Associates, Inc. based on sole voting power over 198,026 shares and sole dispositive power over 1,151,480 shares.

Corporate Governance

The Board's Role in Risk Oversight. The Board of Directors is responsible for oversight of management and the business and affairs of the Company, including the management of risk. The Board of Directors has delegated various aspects of its risk oversight responsibilities to the Board's committees. Each committee has the authority to engage the assistance of outside advisors.

The committees of the Board concentrate on specific risks for which they have an expertise, and each committee is required to make regular reports to the Board of Directors on its actions. The Audit Committee assists the Board of Directors in monitoring the Company's financial reporting risk, which includes the appropriateness of the allowance for loan and lease losses, and regularly monitors the Company's exposure to certain financial and reputational risks by establishing and evaluating the effectiveness of company programs to detect and report fraud and by monitoring the Company's internal control over financial reporting. The Risk Committee of the Bank's Board of Directors is responsible for Bank-level risk oversight and makes regular reports to the Board of Directors. This committee monitors compliance with regulations and policies applicable to the Bank. The Compensation Committee reviews the Company's incentive plans with the Chief Risk Officer to ensure such plans do not encourage participants to take risks that would be reasonably likely to have a material adverse impact on the Company, and to the extent necessary, reviews and discusses with management any related risk mitigation features and disclosures determined to be advisable.

Director Independence. The Board of Directors has established guidelines to assist it in determining director independence which conform to the independence requirements of the Nasdaq Stock Exchange listing standards. In addition to applying these guidelines, the Board of Directors will consider all relevant facts and circumstances in making an independence determination. For a director to be considered independent, the Board of Directors must determine that the director does not have any direct or indirect material relationship with the Company. Based on this evaluation, the Board determined that the Company currently has nine independent directors, which are Rodney D. Bennett, David W. Bomboy, E. Ricky Gibson, Charles R. Lightsey, Fred A. McMurry, Thomas E. Mitchell, Ted E. Parker, J. Douglas Seidenburg, and Andrew D. Stetelman.

Board Leadership Structure. The CEO and Chairman positions are separated under the Company's Board leadership structure. E. Ricky Gibson acts as the non-executive chairman and M. Ray (Hoppy) Cole, Jr., serves as the CEO. The Board of Directors determined that this is the most effective way for its leadership to be structured and believes this is a best practice for governance. The members of the Company's Board of Directors also serve as directors of the Bank in order to provide effective oversight of the Bank.

Standards of Conduct. The Company's Board of Directors has adopted a Code of Ethics for Financial Officers ("Code of Ethics") that applies to its CEO, CFO, principal accounting officer or controller, or persons performing similar functions. The Company has made the Code of Ethics available on its website at www.thefirstbank.com. Any amendments to, or waivers from, our Code of Ethics applicable to our executive officers will be posted on our website within four days of such amendment or waiver.

Communicating Concerns to Directors. The Audit Committee and the non-management directors have established procedures to enable any employee who has a concern about Company's conduct, policies, accounting, internal accounting controls or auditing matters, to communicate that concern directly to the Board of Directors through written notification directed to the Chairman of the Audit Committee, Doug Seidenburg, at P. O. Box 1197, Laurel, MS 39441, or by email to DougS@sburgcpa.com. Such communications may be confidential or anonymous. The Company's Whistleblower Policy is available on the Company's website, www.thefirstbank.com. The status of any outstanding concern, if any, is reported to the non-management directors of the Board of Directors periodically by the Chairman of the Audit Committee.

Shareholder Communications. Shareholders may communicate with all or any member of the Board of Directors by addressing correspondence to the “Board of Directors” or to the individual director and addressing such communication to Chandra B. Kidd, Secretary, The First Bancshares, Inc., P.O. Box 15549, Hattiesburg, Mississippi, 39404. Communications that are not related to the duties and responsibilities of the Board of Directors or a committee will not be distributed, including spam, junk mail and mass mailings, surveys and business solicitations or advertisements. In addition, we will not distribute unsuitable material to our directors, including material that is unduly hostile, threatening or illegal.

Additional Information Concerning Officers and Directors

Meetings of the Board of Directors

It is the policy of the Company that directors attend all meetings. During the year ended December 31, 2018, the Board of Directors of the Company held 9 meetings which included 5 special meetings. All of the directors of the Company’s board attended at least 75% of the Board meetings and meetings of each committee on which they served. The Board of Directors of the Bank held 12 regularly scheduled meetings during the year ended December 31, 2018. All of the directors of the Bank’s board attended at least 75% of the Board meetings and meetings of each committee on which they served. In addition, the independent directors of the Company’s Board meet in regular executive sessions without management present.

Annual Meeting Attendance

The Company encourages attendance of all of its directors at the annual meeting. All of the Board of Directors of the Company who were then serving attended the 2018 annual meeting.

Committees of the Board of Directors

The Company's Board of Directors has appointed an Audit Committee, a Compensation Committee, a Corporate Governance Committee and an Executive Committee.

The Audit Committee is composed of the following members, all of whom are independent directors: J. Douglas Seidenburg (Chairman), E. Ricky Gibson, Thomas E. Mitchell, and Charles R. Lightsey. The Board has adopted an Audit Committee Charter, a copy of which can be found at the Company's internet website at www.thefirstbank.com under "Corporate Governance ." The Audit Committee has the responsibility of reviewing the Company's financial statements, evaluating internal control over financial reporting and reviewing reports of regulatory authorities. The Committee appoints the independent registered auditing firm and oversees the performance of the firm, reviews and approves the auditor's audit plans, and reviews with the independent auditors the results of the audit and management's responses. The Audit Committee is also responsible for overseeing the internal audit function and appraising its effectiveness. The Audit Committee reports its findings to the Board of Directors of the Company. The Board of Directors has determined that the members of the Audit Committee are independent. The Board of Directors has also determined that J. Douglas Seidenburg is an audit committee financial expert, and that each member of the Audit Committee is able to read and understand fundamental financial statements. The Audit Committee met nine times during 2018, which included five special meetings.

The Compensation Committee is composed of the following members, all of whom are independent directors: E. Ricky Gibson (Chairman), David W. Bomboy, Ted E. Parker, and Andrew D. Stetelman. The Board of Directors has adopted a Compensation Committee Charter and a Compensation Philosophy, which can be found at the Company's internet website at www.thefirstbank.com under "Corporate Governance." The Compensation Committee is responsible for evaluating and approving compensation plans, policies and programs for the Company and the Bank. Its duties include reviewing and making recommendations to the Board with respect to incentive-based compensation plans and equity-based plans, establishing criteria for the terms of awards granted to participants under such plans, and granting awards in accordance with such criteria. The Committee determines and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluates performance in light of these goals and objectives, and submits the CEO's annual compensation, including salary, bonus incentive and other compensation to the full Board for approval. The CEO may not be present during voting or deliberations on the CEO's compensation. The Committee also reviews, determines and approves corporate goals and objectives relevant to compensation of the other executive officers of the Company, evaluates their performance in light of these goals and objectives, and submits their annual compensation, including salary, bonus, incentive and other compensation of such personnel to the full Board for approval. The CEO provides input on such recommendations and may be present during voting or deliberations on the compensation of executive officers or other personnel at the invitation of the Committee. The Compensation Committee met twelve times during 2018.

The Corporate Governance Committee is composed of the following members, all of whom are independent directors: Charles R. Lightsey (Chairman), Fred A. McMurry, Ted E. Parker, and E. Ricky Gibson. The Corporate Governance Committee is responsible for nominating individuals for election to the Company's Board of Directors and recommending corporate governance principles to the Board. The Corporate Governance Committee recommended, and the Board of Directors adopted, written Corporate Governance Principles which address the size and composition of the Board, requirements for service on the Board, succession planning, annual performance evaluations of the Board and other areas of focus for the Committee. The Board of Directors has adopted a Corporate Governance Committee Charter, which can be found at the Company's internet website at www.thefirstbank.com under "Corporate Governance." The Corporate Governance Committee met six times during 2018, which included two special meetings.

In considering whether to recommend any candidate for inclusion in the Board of Director's slate of recommended director nominees, including candidates recommended by shareholders, the Corporate Governance Committee will consider a number of criteria, including, without limitation, financial, regulatory and business experience; familiarity with and participation in the local community; integrity, honesty and reputation; dedication to the Company and its shareholders; independence and any other factors the Corporate Governance Committee deems relevant, including age, diversity, size of the Board of Directors and regulatory disclosure obligations.

The Executive Committee's primary purpose is to act on behalf of the Board of Directors between meetings of the Board of Directors to assure coordination of activity among various standing committees of the Board and to serve as a sounding board for the Chairman of the Board and the CEO in the overall management of the business and affairs of the corporation. Membership consists of the Chairman, Vice-Chairman, CEO, Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating Committee. Current members are E. Ricky Gibson, M. Ray (Hoppy) Cole, Jr., J. Douglas Seidenburg, and Charles R. Lightsey. The Executive Committee met thirteen times during 2018.

Additionally, the Board of Directors of the Bank appointed a Risk Committee. The Risk Committee is responsible for general oversight and monitoring of the Bank's risk management strategies, policies and practices that identify, assess, monitor and manage the Bank's risk and regularly reports to the Board of Directors of the Company on its findings. This Committee monitors compliance with regulations and policies impacting the Bank. Current members are Charles R. Lightsey, Rodney D. Bennett, Ed.D., M. Ray (Hoppy) Cole, Jr., and Fred A. McMurry. The committee met five times during the year ended December 31, 2018, which included one special meeting.

Diversity Policy

The Board of Directors has adopted a written Diversity Policy to assist the Board in searching for qualified individuals to serve on the Board. The Diversity Policy states that the Corporate Governance Committee should strive for inclusion of diverse groups, knowledge, and viewpoints. For purposes of Board composition, diversity includes, but is

not limited to, business experience, geography, age, gender, ethnicity, race, sexual orientation, marital and family status, gender identity, personal style, disabilities, nationality, religion, veteran and active armed service status, or other similar characteristics. To accomplish this, the Corporate Governance Committee may retain an executive search firm to help further the Corporate Governance Committee's diversity objectives. The Corporate Governance Committee will also periodically review the Board Diversity Policy and the director selection process to assess the policy's effectiveness in promoting a diverse Board and to ensure that diverse candidates are included in the consideration and selection process.

Report of the Audit Committee

The Audit Committee has:

-Reviewed and discussed the audited financial statements with management of the Company.

-Discussed with the independent auditors the matters required to be discussed under the appropriate Auditing Standards of the Public Company Accounting Oversight Board (PCAOB).

-Received the written disclosures and the letter from the independent auditors required by the PCAOB from the auditors and have discussed with the independent auditors the auditors' independence.

-Considered whether the provision of non-audit services to the Company by the auditor is compatible with maintaining their independence, and has determined that such independence has been maintained.

Based on the review and discussions above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the Securities and Exchange Commission.

This report is submitted on behalf of the Audit Committee of the Board of Directors of The First Bancshares, Inc.

J. Douglas Seidenburg, Chairman

E. Ricky Gibson

Thomas E. Mitchell

Charles R. Lightsey

Independent Registered Public Accounting Firm

Crowe, LLP (“Crowe”) served as the Company’s independent registered auditing firm during the fiscal year ending December 31, 2018. The Company expects a representative of this firm to attend the Meeting, to have the opportunity to make a statement if they desire to do so, and to be available to respond to appropriate questions from shareholders.

On February 15, 2018, the Audit Committee of the Company’s Board of Directors approved the engagement of Crowe, formerly known as Crowe Horwath LLP, as the Company’s independent registered public accounting firm for the Company’s fiscal year ended December 31, 2018, subject to completion of Crowe’s standard client acceptance procedures and the execution of an engagement letter. During the fiscal years ended December 31, 2015 and December 31, 2016, and the subsequent interim period through the Notification Date, neither the Company nor anyone acting on behalf of the Company consulted with Crowe regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s consolidated financial statements, and no written or oral advice was provided to the Company that Crowe concluded was an important factor considered by the Company in reaching a decision as to an accounting, auditing or financial reporting issue; (ii) any matter that was the subject of a disagreement within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions; or (iii) any reportable event within the meaning of Item 304(a)(1)(v) of Regulation S-K.

T. E. Lott & Company (“Lott”) served as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2017. On March 16, 2018 (the “Filing Date”), the Company filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2017 with the SEC, at which time Lott completed its audit of the Company’s consolidated financial statements for such fiscal year and the Company’s retention of Lott as its independent registered public accounting firm with respect to the audit of Company’s consolidated financial statements ended.

Lott's reports on the Company's financial statements as of and for the fiscal years ended December 31, 2016 and December 31, 2017 did not contain an adverse opinion or a disclaimer of an opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2016 and December 31, 2017, and the subsequent interim period through the Filing Date, there were (i) no disagreements with Lott within the meaning of Item 304(a)(1)(iv) of Regulation S-K and the related instructions on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Lott, would have caused Lott to make reference to the subject matter of the disagreements in its reports on the consolidated financial statements of the Company for such years; and (ii) no reportable events within the meaning of Item 304(a)(1)(v) of Regulation S-K.

The Company provided Lott with a copy of the disclosures contained herein prior to filing with the Securities and Exchange Commission (the "SEC") and requested that Lott furnish the Company with a letter addressed to the SEC stating whether or not it agreed with the statements made above. A copy of Lott's letter dated March 22, 2018, was attached as Exhibit 16.1 to the Company's Current Report on Form 8-K filed with the SEC on March 22, 2018.

Fees and Related Disclosures for Accounting Services

The following is a summary of fees related to services performed for the Company by Crowe for the year ended December 31, 2018.

	2018
Audit Fees – Audit of the Company's annual consolidated financial statements, comfort letters, and services in connection with consents and registration statements.	\$ 1,298,243
Audit Related Fees – Services in connection with application of accounting pronouncements and acquisitions, internal controls and SEC matters.	121,657
Tax Fees – Preparation of federal and state income tax and other returns, tax planning and consulting.	37,700
Total	\$ 1,457,600

The Audit Committee has adopted pre-approval policies and procedures which require the Audit Committee to pre-approve the audit and non-audit services performed by the Company's independent registered public accounting firm in order to assure that they do not impair the auditor's independence. All of the fees set forth above were approved by the Audit Committee.

PROPOSAL 3 – Ratification of Appointment of Independent Registered Public Accounting Firm

The Board of Directors has appointed Crowe, LLP, as its independent registered public accounting firm for the fiscal year ending December 31, 2019.

Although not required to do so, the Board of Directors has chosen to submit its appointment of Crowe for ratification by the Company's shareholders as a matter of good corporate governance. If our shareholders fail to ratify the appointment of Crowe, the Audit Committee will consider this information when determining whether to retain Crowe for future services.

Vote Required to Ratify the Appointment of our Independent Registered Public Accounting Firm.

Proposal No. 3 will be approved if votes cast in favor of the proposal exceed votes cast against it.

Recommendation of the Board of Directors

OUR BOARD RECOMMENDS THAT YOU VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF CROWE LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019.

Certain Relationships and Related Transactions

Some of the Company’s officers and directors, including members of their families or corporations, partnerships, or other organizations in which such officers or directors have a controlling interest, are customers of the Bank and have transactions with the Bank in the ordinary course of business, and may continue to do so in the future.

All outstanding loans and commitments included in such transactions were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than normal risk of collectability or present other unfavorable features.

During 2018, Milton R. (Mit) Cole, III, EVP-Division Manager, Private Banking, was paid total gross compensation of \$190,434.60 which included approximately \$126,679 in salary, \$11,200 in annual incentive bonus paid in cash and a grant of 1,399 shares of time vesting restricted stock of the Company. Mr. Cole is the son of M. Ray (Hoppy) Cole, Jr., President and CEO of the Company and the Bank, and also a director.

During 2018, Chase Blankenship, SVP and Commercial Lender, was paid total gross compensation of \$157,743 which included approximately \$139,282 in salary and \$16,250 in annual incentive bonus paid in cash. Mr. Blankenship is the son-in-law of Chairman of the Board and Director, E. Ricky Gibson. The Board has affirmatively determined that this relationship has no impact on Mr. Gibson’s independence.

There are other personnel throughout the Company related by birth or marriage, however there are no family relationships, whether direct or indirect, between Directors and Executive Officers of the Company.

Each year, directors, officers, and employees provide information regarding related party transactions. Although there is no formal written pre-approval procedure governing related party transactions, approval of the Board is sought before engaging in any new related party transaction involving significant sums or risks. Approval of the Board is also sought prior to hiring a family member of a director or executive officer.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers, and beneficial owners of more than 10% to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock. Executive officers and directors are required by Securities and Exchange Commission Regulations to furnish the Company with copies of all Section 16(a) forms they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required during the fiscal year ended December 31, 2018, the Company's executive officers and directors complied with all applicable Section 16(a) filing requirements.

SOLICITATION OF PROXIES

The cost of soliciting proxies from shareholders will be borne by the Company. The initial solicitation will be by mail. Thereafter, proxies may be solicited by directors, officers and employees of the Company or the Bank, by means of telephone, email or other electronic means, advertisements or personal contact, but without additional compensation therefore. The Company will reimburse brokers and other persons holding shares as nominees for their reasonable expenses in sending proxy soliciting material to the beneficial owners.

PROPOSALS OF SHAREHOLDERS

Any proposal of a shareholder to be presented for action at the annual meeting of shareholders to be held in the year 2020 must be received at the Company's principal executive office no later than December 5, 2019, if it is to be included in the Company's proxy statement pursuant to Rule 14a-8 of the Securities and Exchange Act. After this date, any proposal to be presented at the annual meeting but not included in the Company's proxy statement will be considered untimely if not delivered on a date on or before the later of: (1) 60 days prior to the 2020 annual meeting or (2) 10 days after a notice of the meeting is provided to the shareholders. To ensure prompt receipt by the Company, the proposal should be sent certified mail, return receipt requested. Proposals must comply with the Company's bylaws relating to shareholder proposals and certain Securities and Exchange Commission Regulations in order to be included in the Company's proxy materials.

Any shareholder nominations for directors for consideration by the Corporate Governance Committee in making its recommendations to the Board of Directors for the 2020 annual meeting of shareholders should be made in writing addressed to the Corporate Governance Committee, attention Corporate Secretary, at 6480 U.S. Highway 98 West (39402), Post Office Box 15549, Hattiesburg, Mississippi, 39404-5549, by December 5, 2019. It is the Corporate Governance Committee's policy to consider director candidates recommended by shareholders who appear to be qualified to serve on the Company's Board of Directors. The Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. The Corporate Governance Committee will consider only those director candidates recommended in accordance with the Corporate Governance Committee Shareholder Policies and Procedures, a copy of which can be found at the Company's internet website at www.thefirstbank.com under "Corporate Governance ." Director nominations, other than those made by or at the direction of the Board of Directors, may be made by any shareholder by delivering written notice to the Secretary of the corporation not less than 50 nor more than 90 days prior to the 2020 meeting, and must comply with the Company's Bylaws regarding director nominations by shareholders.

Your vote matters – here’s how to vote! You may vote online or by phone instead of mailing this card. Votes submitted electronically must be received by 10:59 p.m. CT, on May 15, 2019. Online Go to www.investorvote.com/FBMS or scan the QR code – login details are located in the shaded bar below. Phone Call toll free 1-800-652-VOTE (8683) within the USA, US territories and Canada Save paper, time and money! Sign up for electronic delivery at www.investorvote.com/FBMS Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. 2019 Annual Meeting Proxy Card IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. A Proposals – The Board of Directors recommend a vote FOR all the nominees listed and A FOR Proposals 2 – 3. 1. Election of Directors: 01 - David W. Bomboy, M.D. For Withhold 02 - M. Ray (Hoppy) Cole, Jr. For Withhold 03 - E. Ricky Gibson For Withhold + 2. Approval, on an advisory basis, of the compensation of our named executive officers. For Against Abstain 3. Proposal to ratify the appointment of Crowe, LLP as the Independent Registered Public Accounting Firm of the Company For Against Abstain B Authorized Signatures — This section must be completed for your vote to count. Please date and sign below. Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title. Date (mm/dd/yyyy) – Please print date below. Signature 1 – Please keep signature within the box. Signature 2 – Please keep signature within the box. 3 2 B V + 03196A

2019 Annual Meeting Admission Ticket 2019 Annual Meeting of The First Bancshares, Inc. Shareholders May 16, 2019 at 11:30 a.m. Central Time The University of Southern Mississippi Scianna Hall 118 College Drive, Hattiesburg, MS 39406 Upon arrival, please present this admission ticket and photo identification at the registration desk. Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Shareholders. The material is available at: www.investorvote.com/FBMS Small steps make an impact. Help the environment by consenting to receive electronic delivery, sign up at www.investorvote.com/FBMS IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. Proxy — The First Bancshares, Inc. + Notice of 2019 Annual Meeting of Shareholders Proxy Solicited by Board of Directors for Annual Meeting – May 16, 2019 M. Ray (Hoppy) Cole, Jr., or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of The First Bancshares, Inc. to be held on May 16, 2019 or at any postponement or adjournment thereof. Shares represented by this proxy will be voted by the shareholder. If no such directions are indicated, the Proxies will have authority to vote FOR the election of the Board of Directors and FOR items 2-3. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting. (Items to be voted appear on reverse side) C Non-Voting Items Change of Address – Please print new address below. Comments – Please print your comments below. +