

MORRIS STATE BANCSHARES, INC.

301 Bellevue Avenue
Dublin, Georgia 31040

February 16, 2024

Dear Shareholder:

You are cordially invited to attend our annual meeting of shareholders on Thursday, March 28, 2024, at 6:00 p.m. virtually via conference call using dial-in number 1-478-219-3096 and using access code 376 023 913#.

The attached notice of the annual meeting and proxy statement describes the formal business to be transacted at the meeting. For more detailed information, we encourage you to access and review our quarterly earnings releases. That information is available at morris.bank/investor-relations.

Whether or not you expect to join the meeting, please mail your completed and signed proxy using the enclosed envelope, or you may use any of the options for telephone or online voting provided on the proxy card. Returning the proxy card WILL NOT deprive you of your right to attend the meeting and vote your shares in person. If you attend the meeting, you may withdraw your proxy and vote your own shares.

Sincerely,

A handwritten signature in black ink, appearing to read "Spencer Mullis", written in a cursive style.

Spencer N. Mullis
Chairman of the Board of Directors

MORRIS STATE BANCSHARES, INC.

301 Bellevue Avenue
Dublin, Georgia 31040

**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD THURSDAY, MARCH 28, 2024**

The annual meeting of shareholders of Morris State Bancshares, Inc. (the "Company") will be held on Thursday, March 28, 2024 at 6:00 p.m. virtually via conference call for the following purposes:

- (1) to elect the following persons to serve as directors for a three-year term:

Leonard Blount
Spencer N. Mullis

- (2) to approve an amendment to the Company's Articles of Incorporation that would increase the Company's authorized shares of common stock to 50 million;
- (3) to ratify the appointment of Nichols, Cauley & Associates, LLC as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2024; and
- (4) to transact any other business as may properly come before the meeting or any adjournments of the meeting.

The Board of Directors has set the close of business on Monday, February 7, 2024 as the record date for determining the shareholders who are entitled to notice of and to vote at the meeting.

To participate in the meeting, please use conference call dial-in number 1-478-219-3096 and access code 376 023 913#. *We ask, however, whether or not you plan to join the meeting that you mark, date, sign, and return the enclosed proxy card as soon as possible. You may mail your completed and signed proxy using the enclosed envelope, or you may use any of the options for telephone or online voting provided on the proxy card.*

If you attend the meeting, you may revoke your proxy at the meeting and vote your shares at the meeting. You may revoke your proxy at any time before the proxy is exercised.

By Order of the Board of Directors,



Spencer N. Mullis
Chairman of the Board of Directors

(This page intentionally left blank)

MORRIS STATE BANCSHARES, INC.
301 Bellevue Avenue
Dublin, Georgia 31040

PROXY STATEMENT FOR 2024 ANNUAL MEETING

INTRODUCTION

Time and Place of the Meeting

The Board of Directors of Morris State Bancshares, Inc. (the “Company”) is furnishing this proxy statement in connection with its solicitation of proxies for use at the annual meeting of shareholders to be held on Thursday, March 28, 2024 at 6:00 p.m. by virtual means, and at any adjournments of the meeting. You may join the meeting via conference call using dial-in number 1-478-219-3096 and using access code 376 023 913#.

Record Date and Mailing Date

The close of business on February 7, 2024 is the record date for the determination of shareholders entitled to notice of and to vote at the meeting. We first mailed this proxy statement and the accompanying proxy card to shareholders on or about February 16, 2024.

Number of Shares Outstanding

As of the close of business on the record date, the Company had 10,000,000 shares of common stock, \$1.00 par value, authorized, of which 2,115,918.943 shares were issued and outstanding. Each issued and outstanding share is entitled to one vote on all matters presented at the meeting.

VOTING AT THE ANNUAL MEETING

Proposals to Be Considered

Election of Directors. Shareholders will be asked to elect two persons to serve as directors of the Company for a term of three years in the manner described below in the section describing Proposal 1.

Amendment to the Articles of Incorporation. Shareholders will be asked to approve an amendment to the Company’s Articles of Incorporation that would increase the Company’s authorized shares of common stock to 50 million (the “Amendment Proposal”).

Ratification of the Appointment of Public Accounting Firm. Shareholders will also be asked to ratify the appointment of Nichols, Cauley & Associates, LLC, (“Nichols Cauley”) to serve as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2024 (the “Accountant Ratification Proposal”).

The Board of Directors recommends a vote FOR approval of the above proposals.

Procedures for Voting by Proxy

If you properly sign, return, and do not revoke your proxy, the persons appointed as proxies will vote your shares according to the instructions you have specified on the proxy card. If you sign and return your proxy card but do not specify how the persons appointed as proxies are to vote your shares, your proxy will be voted FOR the election of the director nominees, FOR the Amendment Proposal, FOR the Accountant Ratification Proposal, and in the best judgment of the persons appointed as proxies as to all other matters properly brought before the meeting. If any nominee for election to the Board of Directors named in this proxy statement becomes unavailable for election for any reason, the proxy will be voted for a substitute nominee selected by the Board of Directors.

You can revoke your proxy at any time before it is voted by delivering to Chris Bond or Susan Brandon at the main office of the Company, either a written revocation of the proxy or a duly executed proxy bearing a later date or by attending the meeting and voting in person.

Requirements for Shareholder Approval

A quorum will be present at the meeting if a majority of the outstanding shares of common stock is represented in person or by valid proxy. We will count abstentions and broker non-votes, which are described below, in determining whether a quorum exists. Only those votes actually cast for the election of a director, however, will be counted for purposes of determining whether a particular director nominee receives sufficient votes to be elected. To be elected, a director nominee must receive more votes than any other nominee for the particular seat on the Board of Directors. As a result, if you withhold your vote as to one or more nominees, it will have no effect on the outcome of the election unless you cast that vote for a competing nominee. At the present time we do not know of any competing nominees.

To be approved, the Amendment Proposal requires the affirmative vote of a majority of the outstanding shares of common stock present at the annual meeting and entitled to vote on the matter. Abstentions and broker-non votes will be counted in determining the minimum number of votes required for approval and will, therefore, have the effect of negative votes.

To be approved, the Accountant Ratification Proposal and any other matters that may properly come before the annual meeting require the affirmative vote of a majority of the outstanding shares of common stock present at the annual meeting and entitled to vote on the matter. Abstentions and broker-non votes will be counted in determining the minimum number of votes required for approval and will, therefore, have the effect of negative votes.

Abstentions. A shareholder who is present in person or by proxy at the annual meeting and who abstains from voting on any or all proposals will be included in the number of shareholders present at the annual meeting for the purpose of determining the presence of a quorum. Abstentions do not count as votes in favor of or against a given matter but will have the effect of a vote against the Amendment Proposal and the Accountant Ratification Proposal.

Broker Non-Votes. Brokers who hold shares for the accounts of their clients may vote these shares either as directed by their clients or in their own discretion if permitted by the exchange or other organization of which they are members. All NYSE and NASDAQ member brokers are prohibited from exercising discretionary voting in all director elections unless the broker has instructions from the beneficial shareholder on how to vote. Proxies that contain a broker vote on one or more proposals but no vote on others are referred to as “broker non-votes” with respect to the proposal(s) not voted upon. Broker non-votes are included in determining the presence of a quorum. A broker non-vote, however, does not count

as a vote in favor of or against a particular proposal for which the broker has no discretionary voting authority, including uncontested director elections.

SOLICITATION OF PROXIES

The Company pays for all costs associated with proxy solicitation. Our directors, officers and employees may, without additional compensation, solicit proxies by personal interview, telephone, fax or otherwise. We will direct brokerage firms or other custodians, nominees, or fiduciaries to forward our proxy solicitation material to the beneficial owners of common stock held of record by these institutions and will reimburse them for the reasonable out-of-pocket expenses they incur in connection with this process.

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors is comprised of six members. The Board of Directors was separated into three classes with each class being elected for a term of three years.

**The Board unanimously recommends shareholders vote FOR
the election of the Directors.**

The following table shows for each nominee his or her name and his or her principal occupation. All of the directors listed below are also directors of Morris Bank, the wholly-owned subsidiary of the Company. Also presented are the continuing directors who are not up for reelection at this meeting.

<u>Name</u>	<u>Position with the Company and Principal Occupation</u>
Class III Director Nominees (Term will expire in 2027 if elected)	
Leonard Blount	Lead Director; Principal, Blount Property Group, LLC
Spencer N. Mullis	Chairman of the Board of Directors and Chief Executive Officer of each of the Company and Morris Bank
<u>Name</u>	<u>Position with the Company and Principal Occupation</u>
Class I Continuing Directors (Terms expire 2025)	
J. Bent Gay, Jr.	Director; President of Gayco Healthcare Management
Roger W. Miller	Director; Executive Vice President of Morris Bank

**Class II Continuing Directors
(Terms expire 2026)**

Phillip D. Faircloth	Director; Chairman of the Board and CEO of Farmers Furniture
Lisa Livingston	Director; Private Investor

**PROPOSAL 2:
AMENDMENT TO THE ARTICLES OF INCORPORATION**

The Board of Directors has approved an amendment to the Company's Articles of Incorporation that would increase the Company's authorized shares of common stock to 50 million. Currently, the Company's Articles of Incorporation authorize 10 million shares of common stock, of which 2,115,918.943 are issued and outstanding.

The purpose of increasing the Company's authorized shares of common stock is to provide flexibility to the Board of Directors to issue new shares of common stock. The Board of Directors has recently examined trading in the Company's common stock and spoken with professionals regarding strategies to employ to draw attention to the Company's common stock so that it will trade at a volume and price that the Board of Directors believes is consistent with the performance of the Company. One strategy that the Board of Directors is considering is a future stock dividend, which would increase the Company's number of shares outstanding and decrease the trading price proportionately, meaning that, by virtue of the stock dividend standing alone, there would be no change to a shareholder's holdings. The Company has received advice that lowering the Company's trading price per share may increase trading volume and contribute to a more active and efficient market for the Company's common stock.

If the Company were to declare a stock dividend in the future, depending upon the size of the stock dividend, the Company's number and potential value of the Company's authorized but unissued shares of common stock could decline significantly. Therefore, the Board of Directors has approved and is proposing to shareholders an amendment to the Company's Articles of Incorporation to increase authorized but unissued shares to a level that would accommodate a potential future stock dividend and still leave ample capacity for the Board of Directors to approve the issuance of shares of common stock for general corporate purposes. These future purposes could include raising additional capital, issuing shares in an acquisition, or issuing shares pursuant to equity incentive plans.

The text of the proposed amendment is as follows:

"Article 5 of the Articles of Incorporation of the Corporation is hereby deleted and the following text is inserted in lieu thereof:

5.

The Corporation shall have authority to issue 50,000,000 shares of common stock with a par value of \$1.00 per share."

The approval of the Amendment Proposal requires the approval by the affirmative vote of the holders of a majority of the Company's outstanding shares of common stock.

The Board of Directors unanimously recommends that the shareholders vote FOR the Amendment to the Articles of Incorporation to increase the Company's authorized shares of common stock to 50 million.

**PROPOSAL 3:
RATIFICATION OF THE APPOINTMENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors has approved Nichols Cauley to serve as the independent registered public accounting firm for the Company for the year ending December 31, 2024, subject to ratification by the shareholders. Nichols Cauley also served as the independent auditors for the Company for the year ended December 31, 2023 and for a number of years prior to that. Although shareholder ratification of our independent auditors is not required by our Bylaws or otherwise, we are submitting the selection of Nichols Cauley to shareholders for ratification to permit shareholders to participate in this important corporate decision. If Nichols Cauley declines to act or otherwise becomes incapable of acting, or if appointment is otherwise discontinued, the Board of Directors will appoint another independent registered public accounting firm. A representative of Nichols Cauley is expected to join the annual meeting and will be given an opportunity to make a statement on behalf of the firm or to respond to appropriate questions from shareholders.

The ratification of the appointment of Nichols Cauley as independent auditors of the Company for the fiscal year ending December 31, 2024 requires the approval by the affirmative vote of a majority of the shareholders present in person or by proxy and entitled to vote at the meeting.

The Board unanimously recommends that shareholders vote FOR the ratification of the appointment of Nichols, Cauley & Associates, LLC as independent registered public accounting firm for the fiscal year ending December 31, 2024.

OTHER MATTERS

The Board of Directors of the Company knows of no other matters that may be brought before the meeting. If, however, any matters other than the election of directors or the election, the approval of an amendment to our Articles of Incorporation, and the ratification of the appointment of our independent auditors should properly come before the meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

If you cannot be present in person at the meeting, please complete, sign, date, and return the enclosed proxy to us promptly in the enclosed postage-paid envelope.

February 16, 2024

(This page intentionally left blank)