

HOMETOWN BANCSHARES, INC.
1801 45th Street
Galveston, Texas 77550

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 9, 2024

To the Shareholders of HomeTown Bancshares, Inc:

The annual meeting of the shareholders of HomeTown Bancshares, Inc. (“Company,” “we,” “our,” or “us”) will be held on Tuesday, April 9, 2024, at 2:00 p.m. local time, at the Company’s main office located at 1801 45th Street, Galveston, Texas 77550, for the purpose of electing sixteen (16) directors of the Company.

This proposal is described in more detail in the enclosed proxy statement, which you should read carefully in its entirety before voting.

You may also be asked to consider any other business that may be properly come before the annual meeting or any adjournment or postponement of the annual meeting. In addition, you will have an opportunity to ask questions at the meeting.

We have fixed the close of business on February 9, 2024 as the record date for the annual meeting. Accordingly, only shareholders of record as of February 9, 2024 are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponement thereof.

Your vote is very important, and you are cordially invited to attend the meeting in person. However, whether or not you expect to attend the annual meeting in person, we urge you to mark, date and sign the enclosed proxy sheet and return it promptly by email to shareholderrelations@hometown.bank, or by mail or in the enclosed envelope. This will ensure the presence of a quorum at the annual meeting and that your shares are voted in accordance with your directions. Your prompt response will help reduce proxy solicitation costs, which are paid for by us. Sending in your proxy will not prevent you from voting your shares at the annual meeting if you desire to do so, as your proxy is revocable at your option at any time prior to the annual meeting in the manner described in the enclosed proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS



Allan Rasmussen, Jr.
President and CEO

March 8, 2024
Galveston, Texas

HOMETOWN BANCSHARES, INC.
ANNUAL MEETING OF SHAREHOLDERS

PROXY STATEMENT

When we refer in this proxy statement to “the Company,” “we,” “our” and “us,” we are referring to HomeTown Bancshares, Inc. When we refer to “you” and “your,” we are referring to the holder of shares of our common stock reading this proxy statement.

This proxy statement is being furnished to you by HomeTown Bancshares, Inc. in connection with the solicitation of proxies by our board of directors for use at the annual meeting of shareholders to be held on Tuesday, April 9, 2024, at 2:00 p.m., local time, at the Company’s main office located at 1801 45th Street, Galveston, Texas 77550. This proxy statement contains important information for you to consider regarding the matters to be presented at the meeting. Please read it carefully.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, you will be asked to consider and vote on a proposal to elect sixteen (16) directors of HomeTown Bancshares, Inc.

You may also be asked to consider any other business that may properly come before the annual meeting or any adjournment of the annual meeting. Shareholders will have an opportunity to ask questions at the meeting. The proposal to be voted upon at the meeting is described in more detail in this proxy statement, which you should read carefully in its entirety before voting.

Who are the nominees for directors?

The board of directors has nominated the following sixteen (16) individuals to serve as directors of the Company until their successors are elected and qualified at the next annual meeting of shareholders of HomeTown Bancshares, Inc. or until their earlier death, resignation or removal:

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|--------------------|-------------------------|--------------------------|--------------------------|
| • Dotsy Balentine | • Maurice Estlinbaum | • E. Vince Matthews, III | • Scott Rice |
| • Kent Ballard | • Sidney C. Farmer, III | • Robert L. Moody, Jr. | • G. William Rider |
| • P. Bradley Crain | • Michael J. Gaido, Jr. | • Allan Rasmussen, Jr. | • Christopher G. Sellers |
| • Stacy Dienst | • Nicolas A. Gaido | • Jimmy Rasmussen | • James Yarbrough, Sr. |

Except for Messrs. Rice and Yarbrough, each of the director nominees currently serves as a director of the Company and as a director of our subsidiary bank, HomeTown Bank, National Association. For more information regarding these individuals, see the section in this proxy statement titled “*Election of Directors.*”

How many votes do I have?

Each holder of common stock entitled to vote at the annual meeting will have one (1) vote for each share of common stock owned as of the record date for the annual meeting. With respect to the election of directors, shareholders of the Company are entitled to cumulate their votes by multiplying

the number of votes they are entitled to cast by sixteen (16), the number of directors for whom they are entitled to vote, and cast the product thereof for a single director nominee or candidate or distribute the product among two or more director nominees or candidates. Cumulative voting by the shareholders of the Company is not permitted in any election of directors unless a shareholder of the Company who wishes to cumulate their votes gives written notice to the Secretary of the Company of the shareholder's intention to cumulate votes on or before the day immediately preceding the date of the Annual Meeting. If such notice is received by the Secretary and cumulative voting applies in the election of directors, the proxies appointed by the Company's board of directors will cast their votes equally among the nominees receiving "FOR" votes, or in any other manner directed by the Company's board of directors.

How many votes can be cast by all shareholders entitled to vote at the meeting?

Our board of directors has fixed the close of business on February 9, 2024, as the record date for the annual meeting and any adjournment or postponement of the meeting. Only record holders of our common stock at the close of business on the record date are entitled to receive notice of and to vote at the annual meeting. As of the record date, 331,269.18 shares of common stock were issued and outstanding and held of record by our shareholders. Therefore, 331,269.18 shares votes may be cast at the annual meeting.

How do I vote?

You may vote by completing and returning the enclosed proxy sheet prior to the meeting or by voting in person at the annual meeting. We encourage you to attend the annual meeting, and the execution and submission of the enclosed proxy sheet will not affect your right to attend the annual meeting and vote in person. However, to ensure that your shares are voted in accordance with your wishes and that a quorum is present at the meeting so that we can transact business, we urge you to complete, sign and return the enclosed proxy sheet and return it to us by email, fax or US mail as promptly as possible:

By Email: shareholderrelations@hometown.bank

By US Mail: HomeTown Bancshares, Inc. – Shareholder Meeting
Attn: Kyle McFatridge
P.O. Box 3909
Galveston, Texas 77552-3909

Voting by proxy. If you vote by proxy, your proxy will be voted in accordance with your instructions set forth in your proxy sheet. However, if you return a signed proxy sheet without indicating your vote, your proxy will be voted for the election of the sixteen (16) director nominees. In addition, if any other matters are properly brought before the meeting, including a proposal to postpone or adjourn the meeting, the proxies will be voted at the discretion of the proxy holders.

Voting during the meeting. If you attend the annual meeting, you may deliver your completed proxy sheet in person or you may vote by completing a ballot, which will be available at the meeting.

Revocation of proxies. You may change your vote or revoke your proxy by (1) delivering a written notice of revocation or later-dated proxy to our secretary or (2) attending the meeting and voting your shares in person. Mere attendance at the meeting will not of itself revoke a proxy. To be effective, a new proxy sheet or written revocation must be received by our secretary prior to the exercise of the proxy at the meeting. If the meeting is postponed or adjourned, your proxy will remain valid and may be voted at the postponed or adjourned meeting, unless you change or revoke the proxy before it is voted.

Shares registered in another name. If your shares are not registered in your name (as in the case of shares by a nominee or other person), you may be requested to provide documentation from the record shareholder of your authority to vote in person at the annual meeting. If your shares are registered in “street name” (i.e. in the name of a broker, bank or other record holder), you must either direct the record holder of your shares as to how to vote your shares or obtain a proxy from the record holder to vote at the annual meeting.

Do I need to attend the annual meeting in person?

No. It is not necessary for you to attend the meeting in person to vote your shares if you have previously completed and returned a proxy sheet. You are, however, encouraged to attend the annual meeting.

What happens if the annual meeting is postponed or adjourned?

Your proxy will remain valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

What vote is required to approve the proposal?

Election of Directors. Our directors are elected by a plurality vote, which means the sixteen (16) nominees receiving the most votes at the annual meeting will be elected, provided that a quorum is present at the meeting. Abstentions will be counted as present for determining the presence of a quorum but will not be counted as a vote “FOR” or “AGAINST” the director proposal because the proposal does not require a specific number of votes to be approved.

What does the board of directors recommend?

Our board of directors unanimously recommends that shareholders vote “FOR” the election of the sixteen (16) directors nominated by our board.

Are there any other matters to be voted on at the annual meeting?

We know of no other business that will be considered at the annual meeting. If any other matters are properly brought before the meeting, including a proposal to postpone or adjourn the meeting, the proxies will be voted at the discretion of the proxy holders.

Who can help answer my questions?

If you have any questions about the annual meeting or the proposal provided in this proxy statement, or if you need additional copies of the enclosed materials, you should contact Kyle McFatridge at (409) 763-1271 or shareholderrelations@hometown.bank.

What do I need to do now?

After you have carefully read this document, please complete and execute the enclosed proxy sheet and return it to us as soon as possible.

ELECTION OF DIRECTORS

In accordance with the Company’s bylaws, our board of directors has set the number of directors at sixteen (16) and has nominated the persons listed below to serve as directors. Except for Messrs. Rice and Yarbrough, each of the director nominees currently serve as directors of the Company and our banking subsidiary, HomeTown Bank, National Association. The directors elected at the annual meeting will hold office until their successors are elected and qualified at the next annual meeting of shareholders or until their earlier death, resignation or removal.

Nominees for Directors

Our board of directors has nominated the following sixteen (16) individuals to serve as directors of the Company:

Name	Position with HomeTown Bancshares, Inc.	Principal Occupation
Allan Rasmussen, Jr.....	President and Director	Banking
Dotsy Balentine	Director	Banking
Kent Ballard.....	Director	Real Estate
Stacy Dienst.....	Director	Retired
Maurice Estlinbaum.....	Director	Retired/Investments
Sidney C. Farmer, III	Director	Executive/Investments
Michael J. Gaido, Jr.	Director	Business Owner
E. Vince Matthews, III	Director	Insurance
Robert L. Moody, Jr.	Director	Insurance
Jimmy Rasmussen	Director	Banking
G. William Rider	Secretary and Director	Attorney
Nicolas A. Gaido	Director*	Business Owner
P. Bradley Crain	Director**	Business Owner
Christopher G. Sellers	Director**	Business Owner
Scott Rice	—	Business Owner/Engineer
James Yarbrough, Sr.	—	Business Owner

* Appointed in November 2023.

** Appointed in February 2024.

Unless authority is withheld, it is intended that all shares of common stock represented by proxies in the form accompanying this proxy statement will be voted in favor of the sixteen (16) nominees named above. All nominees have agreed to serve if elected. If any nominee is unable or unwilling to serve as a nominee at the time of the annual meeting, a proxy may be voted “FOR” the election of another person recommended by the board of directors in place of such nominee, unless the shareholder executing such proxy withholds authority to vote for the election of directors.

Vote Requirement

Our directors are elected by a plurality of the votes cast at the meeting (determined under cumulative voting principals), regardless of the number of votes received by any director nominee. This means that if a quorum is present at the annual meeting, the sixteen (16) nominees receiving the most votes at the annual meeting will be elected.

Board Recommendation

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE SIXTEEN (16) PERSONS NOMINATED BY OUR BOARD OF DIRECTORS. If you return a signed proxy sheet, the persons named in the enclosed proxy will vote the shares represented by your proxy to elect the above-named nominees as directors, unless you withhold authority to vote for the election of the nominees as directors by marking your proxy to that effect.

OTHER MATTERS

As of the date of this proxy statement, our board of directors knows of no matters that will be presented for consideration at the annual meeting, other than as described in this proxy statement. If any other matters do properly come before the annual meeting or any adjournments or postponements of that meeting, the enclosed proxy sheet will be deemed to confer discretionary authority on the individuals named as proxies to vote the shares represented by those proxies as to any such matters. The individuals named as proxies intend to vote (or not to vote) in accordance with the recommendation of our management.

ADDITIONAL INFORMATION

We will pay the expenses associated with the annual meeting and with preparing, assembling, printing and mailing this proxy statement and the materials used for the solicitation of proxies to be voted at the annual meeting. In addition to soliciting proxies through the mails, directors, officers and other employees of HomeTown Bancshares, Inc. and HomeTown Bank, National Association may solicit proxies in person, by telephone or by facsimile. None of these persons will receive additional compensation for their efforts during this solicitation but may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation. After the original mailing of the proxies and other solicitation materials, we request that brokers, custodians, nominees and other record holders of common stock forward copies of this proxy statement, proxy and solicitation materials to beneficial owners for whom they hold shares.

ELECTRONIC DELIVERY OF PROXY MATERIALS AND SHAREHOLDER COMMUNICATIONS

We are pleased to offer our shareholders the benefits and convenience of electronic delivery of shareholder communications, including our meeting notices, proxy statements, annual reports and related materials. Electronic delivery provides the quickest delivery possible of the notices and information to our shareholders and reduces the printing and mailing costs associated with more traditional delivery methods, which allows us to control expenses in the interest of delivering more value for all our shareholders. To consent to this electronic delivery option, please follow the instructions on your proxy sheet.