



## **FIRST BANKERS TRUSTSHARES, INC.**

1201 Broadway  
Quincy, Illinois 62301  
(217) 228-8000

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### **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 16, 2017**

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To the Stockholders of  
**FIRST BANKERS TRUSTSHARES, INC.**

The Annual Meeting of Stockholders of First Bankers Trustshares, Inc., a Delaware corporation (the "Company"), will be held at the corporate office of First Bankers Trustshares, Inc., located at 1201 Broadway, Quincy, Illinois, on Tuesday, May 16, 2017, at 9:00 a.m. local time, for the following purposes:

1. To elect twelve (12) members of the Board of Directors;
2. To ratify the appointment of RMS US LLP as independent public accountants for the Company for the fiscal year ending December 31, 2017; and
3. To transact such other business as may properly be brought before the meeting and any adjournments thereof.

The Board of Directors has fixed the close of business on Friday, March 17, 2017, as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting. This Proxy Statement (and the accompanying Proxy) is being mailed to all stockholders of the Company on or around the seventh of April 2017.

**STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE TO ENSURE THAT YOUR SHARES WILL BE REPRESENTED. IF YOU PREFER TO VOTE ELECTRONICALLY, PLEASE FOLLOW THE PROXY VOTING INSTRUCTIONS TO VOTE ONLINE. YOU HAVE THE POWER TO REVOKE YOUR PROXY AT ANY TIME PRIOR TO COMMENCEMENT OF THE ANNUAL MEETING, AND THE GIVING OF A PROXY WILL NOT AFFECT YOUR RIGHT TO ATTEND THE MEETING.**

# **FIRST BANKERS TRUSTSHARES, INC.**

1201 Broadway  
Quincy, Illinois 62301  
(217) 228-8000

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## **PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 16, 2017**

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This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of the Company of proxies for use at the Annual Meeting of Stockholders of the Company to be held on Tuesday, May 16, 2017 at 9:00 a.m. local time, at the corporate office of First Bankers Trustshares, Inc., 1201 Broadway, Quincy, Illinois. On March 17, 2017, the Company had 3,085,986 shares of Common Stock, par value \$1.00 per share, issued and outstanding and entitled to vote at the Annual Meeting. Each issued and outstanding share of Common Stock is entitled to one vote on each matter to be considered at the Annual Meeting and the presence in person or by proxy, of a majority of outstanding shares of Common Stock shall constitute a quorum.

Your proxy is being solicited by the Board of Directors of the Company. The cost of soliciting proxies will be borne by the Company. In addition to use of the mail, proxies may be solicited personally, or by other means, by officers, directors and certain employees of the Company who will not be specially compensated for such soliciting. The Company will, at its expense, upon the receipt of a request from brokers and other custodians, nominees and fiduciaries, forward proxy soliciting material to the beneficial owners of shares held of record by such persons.

Stockholders are urged to specify the way they wish to vote their shares by marking the appropriate boxes on the enclosed proxy. Shares represented by proxies which are properly executed and returned will be voted at the Annual Meeting as specified on the proxy. If no choice is specified, the shares will be voted FOR the nominees listed under proposal 1 and FOR proposal 2, as described in this Proxy Statement. It is not anticipated that any business will be presented at the Annual Meeting other than the proposals set forth herein; proxies in the enclosed form, however, confer discretionary voting authority regarding any other matters which may properly come before the Annual Meeting on the proxy holders identified in the enclosed proxy.

All properly signed proxies that the Company receives prior to the meeting will be voted as indicated on the proxy unless the proxy is revoked. Any stockholder giving a proxy will have the right to revoke it at any time prior to the commencement of the Annual Meeting by filing a revoking instrument or a duly executed proxy bearing a later date with the Secretary of the Company. You have the unconditional right to revoke your proxy by (i) a written, dated instrument delivered to the Secretary of the Company at or prior to the commencement of the meeting stating that the proxy is revoked; or (ii) a subsequent proxy that is signed by the same person who signed the earlier proxy and is presented at or prior to the meeting. However, mere attendance at the Annual Meeting will not of itself revoke a proxy.

The 2016 Annual Report of the Company, including consolidated financial statements, with those of its subsidiaries, First Bankers Trust Company, N.A. (the "Bank"), First Bankers Trust Services, Inc. (the "Trust Services Company"), FBIL Statutory Trust II, and FBIL Statutory Trust III, is being transmitted to each stockholder on or about April 7, 2017, along with this Proxy Statement.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the Judges of Election appointed by the Board of Directors for the Annual Meeting who will determine whether a quorum is present. The Judges of Election will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to the stockholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will be counted as present for purposes of determining whether a quorum exists, but are not counted as votes cast at the Annual Meeting.

# CORPORATE GOVERNANCE

## *Board Committees and Meetings*

The Board of Directors has the ultimate authority for the management of the business of the Company. The Board of Directors selects the Company's executive officers, determines their assignments and monitors their performance. During 2016, the Company's Board of Directors held six (6) meetings.

The Company has a standing Audit Committee and Human Resources/Compensation Committee. The Company's entire Board of Directors addresses nomination matters.

In a meeting on February 17, 2017, the Board of Directors of the Company passed a resolution recommending the names listed on page four (4) of this proxy statement as the nominees standing for election to the Company's Board of Directors at the 2017 Annual Meeting of Stockholders of First Bankers Trustshares, Inc.

## *Audit Committee Report*

The Audit Committee is comprised of independent Directors and assists the Board with its oversight of the systems and procedures relating to the Company's financial reporting process, internal accounting and financial controls, and risk management program. The Committee also assists with the administration and monitoring of the internal audit process, the annual independent audit of the Company's annual financial statements, and the Company's compliance with legal and regulatory requirements. The qualification, independence and performance of the Company's independent, registered public accounting firm, are also monitored by the Committee.

Through this monitoring, the Audit Committee recommends to the Board of Directors the appointment of the independent public accounting firm. The scope of the committee's examinations and the selection of areas to which resources should be directed are reviewed with the selected firm.

The Committee has also reviewed matters required to be communicated by AU-C 260 (The Auditor's Communication to Those Charged with Governance) and reviewed independence issues. Members of the Audit Committee are Mr. Williams, Mr. Greenbank, Ms. Hofmeister, and Dr. Sarraf.

The Audit Committee met five (5) times during 2016.

Submitted by the Audit Committee:

*Dennis R. Williams, Chairman*  
*Arthur E. Greenbank*  
*Phyllis J. Hofmeister*  
*Kemia M. Sarraf, M.D., M.P.H.*

**PROPOSAL NO. 1  
ELECTION OF DIRECTORS**

***Election of Directors***

In accordance with the Company's Bylaws, twelve (12) Directors will be elected for a term of one year or until their successors are elected and qualified. The proxy provides instructions for voting for all Director nominees or for withholding authority to vote for one or more Director nominees. Unless instructed to the contrary, the persons acting under the proxy solicited hereby will vote for the nominees listed below. The Company has no knowledge that any of the nominees will refuse or be unable to serve, but if any of the nominees becomes unavailable for election, the holders of the proxies reserve the right to substitute another person of their choice as a nominee when voting at the Annual Meeting. To be elected a Director, each Director nominee must receive the favorable vote of a plurality of the shares represented and entitled to vote at the Annual Meeting.

**The Board of Directors recommends a vote FOR each of the nominees to serve until the next Annual Meeting.**

***Nominees***

The following nominees, if elected at the Annual Meeting of Stockholders, will serve as Directors until the next annual meeting or until their successors are elected and qualified.

Name(1)	Age	Director Since	Position with the Company, Bank, or Trust Services Company, and Principal Occupation for the Last Five Years
Carl W. Adams, Jr.	69	2000	Director of the Company, Bank, and Trust Services Company; President, Illinois Ayers Oil Company.
Scott A. Cisel	63	2012	Director of the Company; Former Chairman & President/CEO, Ameren Illinois; Senior Advisor Accenture's North America Energy Practice
William D. Daniels	68	1989	Director of the Company; Director of Bank and Chairman of the Board of the Board of the Bank; Member, Harborstone Group, LLC.
Mark E. Freiburg	64	2000	Director of the Company and Bank; Owner, Freiburg Insurance Agency and Freiburg Development Company and President, Freiburg, Inc.
Donald K. Gnuse	83	1988	Chairman of the Board of the Company and Director; Chairman of the Board of the Trust Services Company and Director; Chairman of the Board of River Valley Bancshares, Inc and Director; and Chairman of the Board of United State Bank and Director.
Arthur E. Greenbank	63	2003	Director of the Company and Bank; Former President and Chief Executive Officer of the Company; Former President and Chief Executive Officer of the Bank.
Phyllis J. Hofmeister	78	2000	Director of the Company, Bank, and Trust Services Company; Secretary, Robert Hofmeister Farm.
John E. Laverdiere	62	2012	Director of the Company and Bank; President, Laverdiere Construction, Inc.; VP/Mgn, LCI Concrete, Inc.; Manager/Member, Grand Prairie Assisted Living, LLC; Manager/Member, Grand Prairie Leasing, LLC; Owner/Manager, Grand Prairie Estates
Kemia M. Sarraf, M.D., M.P.H.	44	2015	Director of the Company and Bank; President & Founder of genHKids, Inc.
Allen W. Shafer	55	2016	Director of the Company and Bank; President and Chief Executive Officer of the Company; President and Chief Executive Officer of the Bank. Formerly Executive Vice President of Support Services for Great Western Bank.
Steven E. Siebers	62	1988	Secretary and Director of the Company, Bank, and Trust Services Company; Attorney, Scholz, Loos, Palmer, Siebers and Duesterhaus.
Dennis R. Williams	77	1989	Director of the Company and Bank; Chairman of the Board of Quincy Media, Inc.

(1) All of the Company's Directors hold office for the terms indicated and all of the executive officers hold office until the officer's death, resignation, or removal from office or until their respective successors is duly elected and qualified. There are no arrangements or understandings between any of the Directors, executive officers or any other person pursuant to which any of the Company's Directors or executive officers have been selected for their respective positions.

**PROPOSAL NO. 2**  
**RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS**

RMS US LLP performed an audit of the Company during 2016 and provided an unmodified opinion on the consolidated financial statements as of and for the year ended December 31, 2016. RSM US LLP also performed various tax, compliance and planning services as well as various other items. Stockholders will be asked to approve the appointment of RMS US LLP as the Company's independent public accountants for the year ending December 31, 2017. Representatives of RMS US LLP are expected to be present at the Annual Meeting and will be given the opportunity to make a statement and will be available to respond to appropriate questions.

**The Board of Directors recommends a vote FOR the appointment of RMS US LLP as the Company's independent public accountants for the year ending December 31, 2017.**

**Audit and Non-Audit Fees**  
for Years Ending December 31, 2016 and 2015

	Company	Bank	Trust Services
	<i>2016</i>		
Audit	\$ 89,002.00	--	\$18,402.00
Tax	\$ 34,010.00	\$ 4,792.00	\$
All Other	\$ 2,633.00	--	--
<b>Total</b>	<b>\$125,645.00</b>	<b>\$ 4,792.00</b>	<b>\$18,450.00</b>
	<i>2015</i>		
Audit	\$ 79,175.48	--	--
Tax	\$ 26,957.00	\$ 9,502.00	\$ 3,506.00
All Other	\$ 2,400.00	--	--
<b>Total</b>	<b>\$ 89,092.00</b>	<b>\$ 6,646.40</b>	<b>\$ 1,594.00</b>

The Audit Committee has determined that the provision of non-audit services for the 2016 fiscal year by RMS US LLP is compatible with maintaining that firm's independence as an independent accountant.

## **STOCKHOLDER PROPOSALS AND NOMINATIONS**

The Certificate of Incorporation of the Company provides that no person (other than a person nominated by or on behalf of the Board of Directors) shall be eligible for election as a Director at any annual or special meeting of stockholders unless a written request that such person's name be placed in nomination is received from a Stockholder of record by the Secretary of the Company not less than 14 nor more than 60 days prior of the date fixed for the meeting, together with (1) the name, age, business address and, if known, residence address of each nominee, (2) the principal occupation of each nominee for the past five years, and (3) the number of shares of Common Stock beneficially owned by each nominee and the nominating stockholder.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Directors and officers of the Company and the subsidiaries, and their associates were customers of and had transactions with the Bank and the Trust Services Company during 2016. Additional transactions may be expected to take place in the future. All outstanding loans, commitments to loans, transaction in repurchase agreements and certificates of deposit, depository relationships, and fiduciary services 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 the normal risk of collectability or present other unfavorable features. See also the Company's Annual Report, Note 3 of Notes to the audited consolidated financial statements.

## **OTHER BUSINESS**

It is not anticipated that any action will be asked of the stockholders other than that set forth above, but if other matters properly are brought before the meeting, the persons named in the proxy will vote in accordance with their best judgment.

## **ALL STOCKHOLDERS ARE URGED TO VOTE THEIR PROXIES PROMPTLY**

Other Supplemental Information

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table lists the beneficial ownership of the Company's Common Stock with respect to all persons known to the Company to be the beneficial owners of more than five percent of such Common Stock as of February 17, 2017:

<u>Name and Address Of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership<sup>(1)</sup></u>	<u>Percent Of Class</u>
Donald K. Gnuse 3029 Evangeline Road Quincy, Illinois 62301	254,870 <sup>(2)</sup>	8.26%
Carl W. Adams, Jr. 1071 Seacrest Dr Port Charlotte, Florida 33948	203,897	6.61%
Dennis R. Williams 2130 Harrison, Unit 48B Quincy, Illinois 62301	196,200	6.36%
Phyllis J. Hofmeister 4133 Klingele Lane Quincy, Illinois 62301	177,792	5.76%

(1) The information contained in this column is based upon information furnished to the Company by the persons named above. The nature of beneficial ownership for shares shown in this column is sole voting and investment power, except as set forth in the footnotes below. The above amounts include shares held in joint tenancy with certain members of the families of the Directors. Shares so held are deemed to be shared as to voting and investment power.

(2) Includes 114,232 shares held by River Valley Bancshares, Inc., a Delaware corporation and registered bank holding company, of which Mr. Gnuse is a director.

## SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of February 17, 2017, the total number of shares of Common Stock of the Company beneficially owned, and the percent of the outstanding Common Stock of the Company so owned, by each Director of the Company and by all Directors and officers of the Company as a group:

<u>Name of Individual or Number of Persons in Group</u>	<u>Amount and Nature of Beneficial Ownership<sup>(1)</sup></u>	<u>Percent Of Class</u>
Carl W. Adams, Jr.	203,897	6.61%
Scott A. Cisel	975	0.03%
William D. Daniels	107,658 <sup>(2)</sup>	3.49%
Mark E. Freiburg	135,235	4.38%
Donald K. Gnuse	254,870 <sup>(3)</sup>	8.26%
Arthur E. Greenbank	78,530	2.54%
Phyllis J. Hofmeister	177,792	5.76%
John J. Laverdiere	6,900	0.22%
Kemia M. Sarraf, M.D., M.P.H.	200	0.01%
Allen W. Shafer	200	0.01%
Steven E. Siebers	114,994	3.73%
Dennis R. Williams	<u>196,200</u>	<u>6.36%</u>
<b>Total</b>	<b>1,277,451</b>	<b>41.40%</b>
Directors of Subsidiaries (not listed above)		
Charles M. Gnuse	322	0.01%
Brian A. Ippensen	3,051 <sup>(4)</sup>	0.10%
Other Executive Officers	<u>1,619<sup>(5)</sup></u>	<u>0.05%</u>
<b>Total for all Directors &amp; Executive Officers</b>	<b>4,992</b>	<b>0.16%</b>

(1) The information contained in this column is based upon information furnished to the Company by the persons named above and the members of the designated group. The nature of beneficial ownership for shares shown in this column is sole voting and investment power, except as set forth in the footnotes below. The above amounts include shares held in joint tenancy with certain members of the families of the Directors. Shares so held are deemed to be shared as to voting and investment power.

(2) Includes 12,000 shares held in Daniels Investment Trust FBO Connor Daniels and 1,500 for his wife.

(3) Includes 114,232 shares held by River Valley Bancshares, Inc., a Delaware corporation and registered bank holding company, of which Mr. Gnuse is a director.

(4) Includes 300 shares held for his wife.

(5) Includes Messrs. Rakers, Frese, Curl, and Duncan.