

**TRI CITY BANKSHARES CORPORATION**  
**6400 South 27<sup>th</sup> Street**  
**Oak Creek, Wisconsin 53154**

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***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS***

**To be held on June 8, 2016**

TO THE SHAREHOLDERS OF TRI CITY BANKSHARES CORPORATION:

The Annual Meeting of Shareholders of Tri City Bankshares Corporation will be held at Tri City National Bank, 6400 South 27<sup>th</sup> Street, Oak Creek, Wisconsin 53154 on Wednesday, June 8, 2016 at 9:30 a.m., for the following purposes:

- (1) To elect thirteen members of the Board of Directors to serve until the 2017 Annual Meeting of Shareholders and until their successors are elected and qualified; and
- (2) To transact such other business as may properly come before the annual meeting or any adjournments thereof.

Holders of record of common stock at the close of business on May 2, 2016 will be entitled to notice of, and to vote at, the annual meeting or at any adjournment thereof.

All shareholders are invited to attend and participate in the annual meeting in person. We urge you to sign, date and return the enclosed proxy whether or not you expect to attend the annual meeting. If your shares are held in "street name" by a broker or other nominee, only the record holder of your shares may vote them for you, so you should follow your broker's or nominee's directions for providing instructions as to how your broker or nominee should vote your shares. Your proxy will not be used if you subsequently decide to attend the annual meeting and vote your shares in person, or if you revoke your proxy by any other lawful means as described on the first page of the enclosed proxy statement.

By Order of the Board of Directors,



Scott D. Gerardin, Secretary

Oak Creek, Wisconsin  
May 2, 2016

**TRI CITY BANKSHARES CORPORATION**  
**6400 South 27<sup>th</sup> Street**  
**Oak Creek, Wisconsin 53154**

***PROXY STATEMENT***

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This proxy statement is dated May 2, 2016 and is being furnished in connection with the solicitation of proxies by the Board of Directors of Tri City Bankshares Corporation (the "Corporation") to be voted at the Annual Meeting of Shareholders to be held at Tri City National Bank, 6400 South 27<sup>th</sup> Street, Oak Creek, Wisconsin 53154, on June 8, 2016 at 9:30 a.m., for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The solicitation is made by the mailing of this proxy statement with its enclosures. No other solicitation is contemplated; however, if it is necessary to assure adequate attendance at the annual meeting, the Corporation's Board of Directors may further solicit proxies by mail, telephone, email, facsimile, or personal contact. Such solicitation will be made by the officers of the Corporation and will be limited in extent. The total cost of the solicitation, including reimbursement of banks, brokerage firms, custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Corporation's common stock, \$1.00 par value (the "Common Stock"), will be borne by the Corporation.

This proxy statement is first being mailed to shareholders on or about May 9, 2016.

Shareholders are asked to complete, sign and return the enclosed proxy. The proxy may be revoked at any time before it is voted at the annual meeting. Prior to the annual meeting, this may be done by execution of a later-dated proxy or by written revocation sent to the Secretary of the Corporation, Mr. Scott D. Gerardin, at the office of the Corporation, 6400 South 27<sup>th</sup> Street, Oak Creek, Wisconsin 53154. Alternatively, the proxy may be revoked at the annual meeting by oral or written notice to the Secretary of the Corporation (or the presiding officer of the annual meeting) or by attending the annual meeting and voting in person.

Only shareholders of record at the close of business on May 2, 2016 (the "Record Date") will be entitled to vote at the meeting. There were 8,904,915 shares of the Common Stock of the Corporation outstanding on the Record Date, with each share being entitled to one vote.

**SECURITY OWNERSHIP OF DIRECTORS, CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT**

The following table sets forth, as of April 13, 2016, information regarding the beneficial ownership of shares of Common Stock by (a) persons known by the Corporation to own beneficially, directly or indirectly, more than 5% of the Corporation’s Common Stock; (b) directors, nominees for director and certain executive officers; and (c) all directors and executive officers of the Corporation as a group. Except as otherwise set forth in the footnotes, the persons listed below have sole voting and investment power with respect to all shares of the Corporation’s Common Stock owned by them. Except as otherwise indicated, the address of each beneficial owner of more than 5% of the Common Stock listed below is 6400 South 27th Street, Oak Creek, Wisconsin 53154.

<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership (1)</b>	<b>Percent of Class (2)</b>
Frank J. Bauer.....	34,258 (3)	*
William N. Beres.....	10,497 (4)	*
Craig C. Dedrick.....	5,802 (5)	*
Sanford Fedderly.....	203,916 (6)	2.3%
Rebecca L. Ferguson.....	98,862 (7)	1.1%
Scott D. Gerardin.....	10,678 (8)	*
William Gravitter.....	556,975 (9)	6.3%
Frederick R. Klug.....	3,100 (10)	*
Brian T. McGarry.....	59,762 (11)	*
Robert W. Orth.....	36,379 (12)	*
Ronald K. Puetz.....	48,706 (13)	*
Agatha T. Ulrich.....	4,763,908 (14)	53.6%
David A. Ulrich, Jr. ....	3,181,261 (15)	35.7%
Scott A. Wilson.....	35,949 (16)	*
All directors and officers as a group (14 persons).....	5,153,193 (17)	57.9%
Ulrich Voting Trust.....	3,000,000 (18)	33.7%

(1) As defined under applicable securities laws, a person is the “beneficial owner” of shares if he or she has, alone or together with one or more other persons, “voting power” (the power to vote or direct the voting of such shares), or “investment power” (the power to dispose or direct the disposition of such shares). A person is also a beneficial owner of shares if he or she has the right to acquire beneficial ownership of those shares (for example, through the exercise of a stock option) within 60 days of the date for which the determination of beneficial ownership is made. Finally, a person may be deemed to be a beneficial owner of shares if he or she has the right to acquire such shares pursuant to a shareholders’ agreement that includes a right of first refusal in favor of such person. The number of shares held by the spouses, or in Individual Retirement Arrangements (IRAs) for the benefit of the spouses, of certain of the persons named in the above table are excluded; each such person disclaims beneficial ownership of shares registered in the sole name of his or her spouse or held in an IRA for the benefit of his or her spouse.

- (2) Percentage based on 8,904,915 shares issued and outstanding as of April 13, 2016. Asterisk (\*) denotes less than 1 percent.
- (3) Registered in the name of Mr. Bauer and his wife, as joint tenants, as to which Mr. Bauer shares voting and investment power.
- (4) Includes (i) 8,086 shares registered in the name of Mr. Beres and his wife, as joint tenants, as to which Mr. Beres shares voting and investment power; and (ii) 2,411 shares held in a self-directed IRA for the benefit of Mr. Beres.
- (5) Includes (i) 4,881 shares registered in the name of Mr. Dedrick and his wife as joint tenants, as to which Mr. Dedrick shares voting and investment power; and (ii) 921 shares held in self-directed IRAs for the benefit of Mr. Dedrick.
- (6) Includes (i) 102,921 shares registered to the Sanford Fedderly 1991 Revocable Trust; and (ii) 100,995 shares registered in the name of Mrs. Roberta C. Fedderly 1991 Revocable Trust of which Mr. Fedderly is a Trustee.
- (7) Includes (i) 67,757 shares registered in the name of Mrs. Ferguson and (ii) 31,105 shares in accounts for Mrs. Ferguson's child for whom she is custodian. Certain of these shares are also shown as beneficially owned by Agatha T. Ulrich (see Note 14, below).
- (8) Includes (i) 120 shares registered in the name of Mr. Gerardin and his wife as joint tenants, as to which Mr. Gerardin shares voting and investment power; and (ii) 10,558 shares held in a self-directed IRA for the benefit of Mr. Gerardin.
- (9) Includes 556,975 shares registered in a Trust for the benefit of Mr. Gravitter and members of his family over which Mr. Gravitter has or shares voting and/or investment power. Certain of these shares are also shown as beneficially owned by Agatha T. Ulrich (see Note 14, below).
- (10) Includes (i) 1,744 shares registered in the name of Mr. Klug; and (ii) 1,356 shares held in a self-directed IRA for the benefit of Mr. Klug.
- (11) Registered in the name of Mr. McGarry. Certain of these shares are also shown as beneficially owned by Agatha T. Ulrich (see Note 14, below).
- (12) Includes (i) 30,143 shares registered in the name of Mr. Orth; and (ii) 6,236 shares in accounts for Mr. Orth's children for whom he is custodian.
- (13) Includes (i) 40,810 shares registered in the name of Mr. Puetz and his wife as joint tenants, as to which Mr. Puetz shares voting and investment power; and (ii) 7,896 shares held in a self-directed IRA for the benefit of Mr. Puetz.
- (14) Includes: (i) 446 shares held directly by Mrs. Ulrich as to which she has sole voting and investment power; (ii) 4,150,656 shares held under a Stockholders' Agreement with certain family members and related entities over which Mrs. Ulrich may be deemed to share investment power (which includes certain of the shares shown as beneficially owned by Rebecca L. Ferguson (see note 7 above); Brian T. McGarry (see Note 11 above); by David A. Ulrich, Jr. (see Note 15, below); and by the Ulrich Voting Trust (see Note 18, below)); (iii) 610,325 shares subject to a Stockholder's Agreement with William Gravitter (a director of the Corporation) and certain persons to whom Mr. Gravitter has previously transferred shares, over which Mrs. Ulrich may be deemed to share investment power (see Note 9, above); and (iv) 2,481 shares held in a self-directed IRA for the benefit of Mrs. Ulrich.
- (15) Includes (i) 3,000,000 shares held by the Ulrich Voting Trust over which Mr. Ulrich shares voting and investment power by virtue of his position as Trustee (see Note 18, below); (ii) 161,314 shares registered in the name of Mr. Ulrich; (iii) 6,532 shares registered in the name of Mr. Ulrich and his wife as joint tenants as to which Mr. Ulrich shares voting and investment power; and (iv) 12,222 shares registered in the name of Mr. Ulrich's children for whom he is custodian. Certain of these shares are also shown as beneficially owned by Agatha T. Ulrich (see Note 14, above).

- (16) Includes (i) 25,726 shares registered in the name of the Scott A. Wilson and Susan J. Wilson Living Trust, as to which Mr. Wilson shares voting and investment power; and (ii) 10,223 shares held in a self-directed IRA for the benefit for Mr. Wilson.
- (17) Certain of the shares are shown in the above table as being beneficially owned by more than one of the persons named therein; to avoid-double counting, these shares are included only once in the total.
- (18) Based on Schedule 13D/A filed February 13, 2008. The three trustees of the Ulrich Voting Trust are David A. Ulrich, Jr. (a director of the Corporation), Kathleen McGarry (who is the spouse of Brian T. McGarry, a director of the Corporation) and Thomas Ulrich. The three Trustees, acting by majority action, have the authority to vote such shares in their discretion. The Voting Trust Agreement provides that the voting trust certificates representing the shares shall be issued in four equal amounts as a gift for the benefit of Mrs. Agatha T. Ulrich's children: David A. Ulrich, Jr., Kathleen McGarry, Thomas Ulrich and a trust established for the benefit of Marilyn T. Ulrich-Graves. These shares are also shown as beneficially owned by Agatha T. Ulrich (see Note 14, above). The address of the Ulrich Voting Trust is P.O. Box 180437, Delafield, Wisconsin 53018. The duration of the Ulrich Voting Trust is 25 years from December 22, 2006; the three trustees vote by unanimous or majority action on all matters coming before the shareholders of the Corporation.

The Corporation knows of no contractual arrangements, including the pledge of its securities, which might result in a change of control of the Corporation.

**PROPOSAL 1**  
**ELECTION OF DIRECTORS**

The Board of Directors proposes that the thirteen (13) nominees named below be elected to serve as directors for the ensuing year and until their successors are elected and qualified. All thirteen (13) directors will serve one-year terms. Proxies received by the Board of Directors will be voted FOR the election of the following thirteen (13) persons, unless otherwise indicated, but, if any such nominee is unable to serve due to presently unforeseen circumstances, proxies may be voted for another person nominated by the Board of Directors.

All thirteen persons nominated as directors are currently directors of the Corporation. All of the nominees have consented to serve if elected and the Board of Directors is not aware of any nominee who may be unable to serve as a director. The directors and executive officers of the Corporation beneficially own a majority of the Corporation's outstanding Common Stock. Accordingly, assuming that all directors and executive officers vote for the nominees listed below, election of such nominees is assured.

All of the individuals named in the table below are also directors of the Corporation's subsidiary, Tri City National Bank (the "Bank").

<u>Name</u>	<u>Director Since</u>	<u>Age</u>	<u>Principal Occupation During the Past 5 Years and Other Directorships</u>
Frank J. Bauer	1990	89	President of Frank Bauer Construction Company, Inc. since 1986. In addition to his long tenure on the Board that provides him with a familiarity with the Corporation's history, Mr. Bauer's qualifications for serving on the Board include his business and management experience and his substantial knowledge of the construction industry.

William N. Beres	2002	58	Vice President and General Manager of the Federal Solutions division of Johnson Controls since April 2016 and previously Vice President of Structured Finance of the Building Efficiency division of Johnson Controls since March 2010. Mr. Beres brings to the Board substantial business and management experience, as well as a strong background in finance and investment matters, which make him a valuable resource to the Board and management.
Craig C. Dedrick	2012	53	Executive Vice President of the Corporation and President of the Bank since 2014, Executive Vice President of the Bank in 2012 and 2013 and Senior Vice President of the Bank from 1996 to 2012. Mr. Dedrick is qualified to serve on the board due to his knowledge of the Corporation and the leadership he has demonstrated during his more than 30 years of service at the Bank. Mr. Dedrick has held executive roles in both commercial and retail lending and has been a long-time member of the senior credit committee.
Sanford Fedderly	1980	81	Retired President of Tri City Pharmacy, Inc., Oak Creek, Wisconsin. Mr. Fedderly has business and management experience and, as a local businessman for many years, has a strong familiarity with the Bank's local market area. These attributes, as well as his more than 30 years of experience as a director of the Corporation and the Bank, make him qualified to serve on the Board.
Rebecca L. Ferguson	2012	42	Attorney at the Estate Planning Resource Center in Elmhurst, Illinois from 2006 to 2009. Prior to that Mrs. Ferguson held various professional positions, including serving as an Assistant Vice President at Tri City National Bank. Mrs. Ferguson's experience as an employee and officer of the Bank, as well as her business and legal experience, qualify her to serve on the Board.
Scott D. Gerardin	2002	57	Senior Vice President and General Counsel of the Corporation since 2005. Secretary of the Corporation since 2013. Senior Vice President of the Bank since 2002, General Counsel to the Bank since 1992. Mr. Gerardin's legal training, background and experience, both before and since he became employed by the Bank in 1992, as well as his familiarity with all aspects of the Corporation's and the Bank's operations in his role as general counsel, enables him to provide a unique and important perspective on the Board's decisions and decision making processes and therefore qualifies him to serve on the Board.
William Gravitter	1980	87	Retired President of Hy-View Mobile Home Park. Mr. Gravitter's qualifications to serve on the Board include his long tenure on the Board as well as his familiarity with the local markets served by the Bank.
Frederick R. Klug	2015	44	Senior Vice President and Chief Financial Officer of the Corporation since 2009. Senior Vice President and Chief Financial Officer of the Bank since 2014. Mr. Klug is qualified to serve on the board due to his knowledge of the financial aspects of the Corporation and his more than 20 years of experience in commercial and investment banking.

Brian T. McGarry	2005	65	Executive Vice President of the Bank since January 2016. President and Director of NDC LLC. Mr. McGarry's experience as an employee and officer of the Bank, as well as his business and leadership experience and financial literacy, qualify him to serve on the Board.
Robert W. Orth	1996	69	Retired Executive Vice President of the Corporation and retired President of the Bank. Mr. Orth is qualified to serve on the Board due to his long experience in the banking industry and his 17 years of service as an executive and Chief Credit Officer of the Bank, where he has demonstrated leadership skills and business acumen.
Agatha T. Ulrich	1999	87	Chairman and Director of NDC, LLC. Mrs. Ulrich provides leadership and historical insight and perspective formed by her involvement with the Bank and Corporation for more than a half century, dating back to 1963 when the Bank was initially organized by her late husband, as well as her service on the Board since 1999.
David A. Ulrich, Jr.	1997	55	Retired Vice President and Director of Mega Marts, Inc. Retired Vice President of NDC, Inc. Director of NDC LLC. Mr. Ulrich has had substantial involvement with the Bank and the Corporation and the business interests of his late father, the founder of the Bank, that have given him the financial, business and organizational experience that qualifies him to serve on the Board.
Scott A. Wilson	1990	69	Retired Executive Vice President, Secretary and Treasurer of the Corporation and retired Executive Vice President, Secretary, Director and Chief Financial Officer of the Bank. Mr. Wilson is qualified to serve on the Board due to his long experience in the banking industry, including 11 years as a national bank examiner prior to joining the Corporation. In addition he was an officer of the Bank for more than 30 years where he demonstrated leadership skills and business acumen as a unit bank president, operations knowledge and credit skills as a member of the Bank's loan committee.

***The Board of Directors recommends that you vote "FOR" each of the thirteen (13) nominees named above.***

There is a family relationship between several of the nominees for directorship. David Ulrich, Jr. is Agatha Ulrich's son, Frank Bauer is Agatha Ulrich's brother and Brian McGarry is Agatha Ulrich's son-in-law. Rebecca Ferguson is Agatha Ulrich's granddaughter and Brian McGarry's daughter.

Messrs. Dedrick, Gerardin, Klug and McGarry are the only executive officers of the Corporation nominated to the Board of Directors. Each of their ages, positions and offices with the Corporation and period during which each has served as such are as set forth in the above table.

## Directors' Fees and Benefits

During 2015 non-employee directors of the Corporation received \$500 for each general Board meeting of the Corporation attended and a \$20,000 annual retainer, plus \$2,000 for each general Bank Board meeting. In addition, Messrs. Gravitter, Fedderly and McGarry received annual compensation of \$22,400, \$16,000 and \$7,500, respectively for their service on the Executive Committee. Non-employee members of the Bank's loan committee received compensation of \$800 per meeting attended, except for the Chairman Mr. McGarry, who received \$1,000 per meeting attended. Members of the Audit Committee received compensation of \$400 per meeting attended, except that Mr. Beres, the Chairman of the Audit Committee, received annual compensation of \$12,500 in addition to the per-meeting fee. Non-employee members of the Bank's CRA/compliance committee received compensation of \$400 per meeting attended. Non-employee members of the Bank's asset liability investment committee received compensation of \$600 per meeting attended. None of the directors received any stock options or other equity compensation for their service as a director or on any committee.

None of Messrs. Dedrick, Gerardin, Klug, or Puetz, the Corporation's directors who are also officers of the Corporation or the Bank, received any compensation for their service on the Corporation's or the Bank's Board. The following table sets forth information regarding the aggregate fees paid to each of the Corporation's non-employee directors during 2015.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total Compensation (\$)</u>
Frank J. Bauer	\$34,500	\$ 0	\$ 34,500
William N. Beres	53,600	0	53,600
Sanford Fedderly	70,000	0	70,000
Rebecca L. Ferguson	32,500	0	32,500
William Gravitter	54,900	0	54,900
Brian T. McGarry	77,200	0	77,200
Robert W. Orth	57,300	0	57,300
Agatha T. Ulrich	32,500	0	32,500
David A. Ulrich, Jr.	34,100	0	34,100
Scott A. Wilson	63,100	0	63,100

Because the Corporation is not listed on a national securities exchange, it is not subject to any director independence requirements. However, the Corporation has adopted the NASDAQ Stock Market's standards for determining the independence of directors. All of the directors except Messrs. Dedrick, Gerardin, Klug, Orth, McGarry, Puetz and Wilson are independent in accordance with the definition of independence in Rule 5605(a)(2) of the NASDAQ Stock Market.

Mr. Ronald K. Puetz serves as the Chairman of the Board in addition to his role as President and Chief Executive Officer of the Corporation. The Board believes that it is in the best interest of the Corporation and its shareholders to place Board leadership in a single individual. This leadership structure, among other things, helps avoid ambiguity about who is accountable for the Corporation's business activities, and also enables the Chairman to have extensive knowledge of the Corporation's operations and strategies. The Board did not designate a lead independent Director.

The Corporation's senior management has primary responsibility for managing the risks faced by the Corporation. As a financial institution, the Corporation's business involves financial risks that are unique relative to other types of businesses. The Corporation is subject to extensive regulation that requires it to assess and manage those risks and, during periodic examinations, its regulators assess how well it performs in this regard. The Board has an active role, as a whole and at the committee level, in overseeing the management of risk. The Board of Directors regularly reviews information regarding the Corporation's credit, liquidity and operations, as well as the risks associated with each.

### **Director Nominations**

The Board of Directors has not appointed a nominating committee. Due to the infrequent turnover among the Corporation's directors, the Board has determined that it is not necessary or appropriate at this time to establish a separate nominating committee. The review of recommendations for and the selection of nominees to Board membership is handled by the Board serving as a committee of the whole. No nominating committee charter has been adopted by the Board of Directors serving in their capacity as a committee of the whole.

The Board of Directors does not have a formal policy for considering nominees whose names are submitted by shareholders. If shareholders were to recommend nominees for directors, the full Board of Directors would consider such persons. Although shareholders are entitled to nominate persons from the floor at the annual meeting, absent contrary instructions the proxies solicited hereby will be voted for the thirteen persons identified herein who are nominated by the Board of Directors.

The Board of Directors has generally identified nominees based upon suggestions by non-management directors, management members and/or shareholders. The Board considers various attributes to be important, including the individual's integrity, general business background and experience, experience with the banking industry, and the ability to serve on the Board of Directors. In carrying out its responsibilities for locating, recruiting and nominating candidates for election as directors, the Board takes into account diversity as one of the factors in its considerations. Aspects of diversity considered include professional or business experiences, gender, race, national origin, specialized education or work experience and viewpoints.

### **Compensation Oversight**

The Corporation's compensation system is not complex. Compensation of the executive officers of the Corporation is reviewed by the Board serving as a committee of the whole (with each director who is also an officer of the Corporation being excluded from participating in the consideration of his own compensation). The Board of Directors believes that each of the Board members should have input into the compensation of the Corporation's executive officers. The Board does not operate under a formal written charter with respect to executive compensation matters. The Board reviews and approves the salaries and other compensation of the Corporation's executive officers. The Board did not retain the services of any compensation consultants in carrying out its duties during 2015.

### **Board Attendance**

The Board of Directors held five meetings during 2015. All incumbent directors attended 75% or more of the aggregate meetings of the Board and the committees on which they served during 2015. Directors are encouraged to attend the annual meeting of shareholders, but the Corporation has not adopted a formal policy requiring attendance at the annual meeting.

### **Shareholder Communications**

The Board of Directors currently does not have a formal process for shareholders to send communications to the Board. Informal communications have been sufficient to communicate questions, comments and observations that could be useful to the Board. However, shareholders wishing to communicate with the Board of Directors or nominate a candidate for election to the Corporation's Board of Directors may contact The Chairman of the Board, c/o Tri City Bankshares Corporation, 6400 South 27<sup>th</sup> Street, Oak Creek, Wisconsin 53154.

## **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee oversees the Corporation's financial reporting process on behalf of the Board of Directors. The Audit Committee is governed by a written charter approved by the Board of Directors. The current members of the Audit Committee, all of whom are non-employee directors, are Messrs. Beres (Chair), Bauer and Fedderly. All of the members of the Audit Committee are independent in accordance with the definition of independence in Rule 5605(a)(2) of the NASDAQ Stock Market. The Board of Directors has determined that Mr. Beres is a financial expert.

Management has the primary responsibility for the financial statements and the reporting process including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements with both the independent auditors and management including the discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee discussed with the Corporation's internal and independent auditors, Baker Tilly Virchow Krause, LLP ("Baker Tilly"), the overall scopes and plans for their respective audits. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Corporation's internal controls, and the overall quality of the Corporation's financial reporting. The Audit Committee held five meetings during 2015.

The Audit Committee also discussed with Baker Tilly matters required to be discussed by the Statement on Auditing Standards ("SAS") No. 114 (The Auditor's Communication with Those Charged with Governance) and SAS No. 99 (Consideration of Fraud in a Financial Statement Audit). The Audit Committee received written disclosures from Baker Tilly affirming the firm's independence with the Corporation. The Committee also discussed with Baker Tilly matters relating to its independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Corporation's Annual Report for the year ended December 31, 2015 for distribution to shareholders.

William N. Beres, Audit Committee Chair  
Frank J. Bauer, Audit Committee Member  
Sanford Fedderly, Audit Committee Member

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table shows cash and non-cash compensation for the years ended December 31, 2015 and 2014 for each person who served as the Corporation's principal executive officer during 2015 and the Corporation's two most highly compensated executive officers (other than the principal executive officer) who were serving as executive officers at the end of 2015.

<u>Name and Principal Position<sup>(1)</sup></u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>All Other Compensation (\$)<sup>(2)</sup></u>	<u>Total (\$)</u>
Ronald K. Puetz President and Chief Executive Officer	2015	474,400	-	13,250	487,650
	2014	474,400	-	13,000	487,400
Craig C. Dedrick Executive Vice President	2015	301,000	-	13,250	314,250
	2014	243,750	-	12,203	255,953
Scott D. Gerardin Senior Vice President - Secretary	2015	211,500	-	10,332	221,832
	2014	202,900	-	9,903	212,803

(1) Positions with the Corporation at December 31, 2015 and for the year indicated.

(2) All other compensation represents the Corporation's matching contribution to the employee's 401(k) plan.

The Board of Directors determines a bonus for officers on an annual basis based on numerous factors. For the executive officers listed above, there were no bonuses paid in either 2014 or 2015.

### Outstanding Equity Awards at Fiscal Year End

The Corporation does not maintain any stock option or other equity-based incentive program.

### Pension Benefits

The Corporation does not maintain any pension benefit plans for its officers or directors. The Company does offer 401(k) plan as described above.

### 2015 Nonqualified Deferred Compensation

The Corporation did not maintain any nonqualified deferred compensation plan for the benefit of any of its executive officers as of December 31, 2015.

### Potential Payments Upon Termination or Change-in-Control

None of the executive officers of the Corporation has any arrangement that provides for severance payments. Additionally, none of the executive officers of the Corporation is entitled to payment of any benefits upon a change-in-control of the Corporation.

### Agreements With Executive Officers

The Corporation does not have any employment agreements with any of its executive officers.

## COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The following members of the Board of Directors, which as a committee of the whole serves as the Corporation's Compensation Committee in 2015, are officers of the Corporation and the Bank:

Craig C. Dedrick  
Scott D. Gerardin  
Frederick R. Klug  
Ronald K. Puetz

## LOANS AND OTHER TRANSACTIONS WITH MANAGEMENT AND DIRECTORS

The Corporation has never made any loans to any of its officers or directors. However, in the ordinary course of business, the Bank made loans during 2015 to officers and directors of the Corporation, and to business firms in which officers and directors of the Corporation are officers, partners or in which they have a substantial interest. The loans 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 loans to unaffiliated persons or firms, and do not involve more than a normal risk of collectability or present other unfavorable features.

NDC LLC owns certain buildings occupied by the Corporation and the Bank, including the Corporation's central office in Oak Creek, a Bank branch office located in Milwaukee and a Bank branch located in Kenosha. NDC LLC is a limited liability company owned by members of the Ulrich family, their spouses and related trusts, including David A Ulrich, Jr. (a director of the Corporation) and Kathleen McGarry (whose spouse, Brian T. McGarry, is a director of the Corporation). The central office building lease has a term through 2016 and the branch offices have leases with terms through 2020. The aggregate annual rent for 2015 paid in connection with the aforementioned leases was \$479,104. The rent is subject to adjustment based on increases in the consumer price index. Pursuant to the central office lease only, the Corporation is also obligated to pay its proportionate share of property taxes, insurance and maintenance costs associated with the building.

Disinterested members of the Board of Directors must approve all loan transactions with related parties. Such transactions must be on substantially the same terms as those prevailing at the time with other non-insider individuals or companies. In accordance with applicable banking regulations, including Regulation O promulgated by the Federal Reserve Board, the Board of Directors reviews any loan made to a director or executive officer in an amount that, when aggregated with the amount of all other loans to such person and his or her related interests, exceeds \$500,000 and such loan must be approved in advance by a majority of the disinterested members of the Board of Directors.

## OTHER BUSINESS

The Board of Directors knows of no other business, which may come before the annual meeting. In the event that any other business comes before the meeting, the persons named in the proxy shall vote in accordance with their best judgment.

## VOTING OF PROXIES

The presence, in person or by proxy, of the holders of a majority of the shares of the Common Stock outstanding on the Record Date is required for a quorum with respect to the matters on which action is to be taken at the annual meeting. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner to vote shares as to non-routine matters, with respect to which the brokers or nominees do not have discretionary power to vote) will be treated as present for purposes of determining a quorum. **Prior to 2010, the election of directors was considered a routine proposal for which brokers and nominees could exercise their discretionary power to vote without direction by the beneficial owner of such shares. Brokers and other nominees are no longer permitted to vote shares in the election of directors without direction from the beneficial owner of such shares. Therefore, we urge shareholders who hold their shares in "street name" to follow their broker's or nominee's directions for providing instructions as to how the broker or nominee should vote their shares.** Proxies received by the Board of Directors will be voted in accordance with the specifications indicated by the shareholder and unless authority to vote upon the election of the directors, or as to individual nominees, is withheld, the proxies will be voted FOR all of the nominees listed in the proxy statement.

Directors are elected by a plurality of the votes cast by holders of the Corporation's Common Stock entitled to vote at a meeting at which a quorum is present. In other words, as long as a quorum is present at the annual meeting, the thirteen nominees who receive the largest number of votes will be elected as directors. Any shares not voted, whether by withheld authority, broker non-vote or otherwise, will have no effect in the election of directors.

#### **INDEPENDENT AUDITORS**

The financial statements of the Corporation for the year ended December 31, 2015, have been audited by Baker Tilly, independent public accountants. Representatives of Baker Tilly are expected to be present at the annual meeting and will be available to respond to appropriate questions.

The Audit Committee pre-approved all audit and allowable non-audit services provided by the independent auditors in accordance with policies and procedures established by the Audit Committee, which include review of the engagement letter for each type of service. The Audit Committee has considered whether the provision of non-audit services is compatible with the independent auditors' independence and satisfied itself as to the auditors' independence.

The Audit Committee and the Board has selected Baker Tilly as the Corporation's independent auditors for the year ending December 31, 2016.



Scott D. Gerardin, Secretary  
Oak Creek, Wisconsin

May 2, 2016

IT IS IMPORTANT THAT THE PROXIES BE RETURNED PROMPTLY. THEREFORE, PLEASE COMPLETE, SIGN AND RETURN THE PROXY AS SOON AS POSSIBLE EVEN IF YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON.