

TRI CITY BANKSHARES CORPORATION
6400 South 27th Street
Oak Creek, Wisconsin 53154

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held on July 10, 2019

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 27th Street, Oak Creek, Wisconsin 53154 on Wednesday, July 10, 2019 at 9:30 a.m., for the following purposes:

- (1) To elect fourteen members of the Board of Directors to serve until the 2020 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 28, 2019 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 28, 2019

TRI CITY BANKSHARES CORPORATION
6400 South 27th Street
Oak Creek, Wisconsin 53154

PROXY STATEMENT

This proxy statement is dated May 28, 2019 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 27th Street, Oak Creek, Wisconsin 53154, on July 10, 2019 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 June 7, 2019.

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 27th 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 28, 2019 (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.

PROPOSAL 1
ELECTION OF DIRECTORS

The Board of Directors proposes that the fourteen (14) nominees named below be elected to serve as directors for the ensuing year and until their successors are elected and qualified. All fourteen (14) directors will serve one-year terms. Proxies received by the Board of Directors will be voted FOR the election of the following fourteen (14) 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.

Twelve of the fourteen 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 of the Corporation beneficially own a majority of the Corporation's outstanding Common Stock. Accordingly, assuming that all directors vote for the nominees listed below, election of such nominees is assured.

All of the individuals named in the table below will also be 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	92	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	61	Director of Special Projects for WEC Energy Group since June 2017. Vice President Finance of Johnson Controls Federal Systems from October 2016 through April 2017, and previously Vice President and General Manager of the Federal Solutions division of Johnson Controls from April 2016 – September 2016 and Vice President of Structured Finance of the Building Efficiency division of Johnson Controls from March 2010 through March 2016. 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	56	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	84	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 Ferguson	2012	45	Ms. Ferguson has held various professional positions including former employment as an officer of Tri City National Bank and private practice as an attorney. Ms. Ferguson's experience as an employee of the Bank, as well as her business and legal acumen, qualify her to serve on the Board.
Scott D. Gerardin	2002	60	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	90	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	47	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	68	Chairman of the Board, President and Chief Executive Officer of the Corporation and Chairman and Chief Executive Officer of the Bank since 2016. President and Director of NDC LLC. Mr. McGarry's more than 40 years of experience as an employee, officer and Director of the Bank, as well as his business and leadership experience and financial literacy, qualify him to serve on the Board.
Michael J. Miller	2019	68	Retired Executive Vice President at Associated Bank. Mr. Miller is qualified to serve on the Board due to his long experience in the banking industry. During his 42 year banking career, he worked at JP Morgan Chase, US Bank, CIB Marine and Associated Bank in various lending and management positions including Senior Credit Officer.

Robert W. Orth	1996	72	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	90	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	59	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.
Thomas Ulrich, Jr.	2019	40	Mr. Ulrich has held various professional positions including former employment at Tri City National Bank and Assistant Vice President of NDC LLC. As a graduate of Marquette University Business School and his experience as an employee of the Bank and Commercial Real Estate company, Mr. Ulrich is qualified to serve on the Board.

The Board of Directors recommends that you vote “FOR” each of the fourteen (14) 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. Thomas Ulrich, Jr. is Agatha Ulrich’s grandson.

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.

Because the Corporation is not listed on a national securities exchange, it is not subject to any director independence requirements. However, all of the directors except Messrs. Dedrick, Gerardin, Klug, and McGarry are independent in accordance with the definition of independence in Rule 5605(a)(2) of the NASDAQ Stock Market.

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 fourteen 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 2018.

Board Attendance

The Board of Directors held five meetings during 2018. All incumbent directors attended 75% or more of the aggregate meetings of the Board and the committees on which they served during 2018. 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 27th 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 auditors 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 auditors 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 2018.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Corporation's Annual Report for the year ended December 31, 2018 for distribution to shareholders.

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

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 2018 to officers and directors of the Corporation, and to business firms in which officers and directors of the Corporation are officers, owners, 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, Bank branch offices located in Milwaukee, Kenosha and Waukesha. 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 Chairman of the Board and Chief Executive Officer of the Corporation). The central office building lease has a term through 2022 and the branch offices have lease terms ending from 2020 and 2022. The aggregate annual rent for 2018 paid in connection with the aforementioned leases was \$797,815. The rent is subject to adjustment based on increases in the consumer price index. For all leases other than Kenosha, 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 Bank's 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 Bank's 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 Bank's 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 fourteen 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, 2018, 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, 2019.



Scott D. Gerardin, Secretary
Oak Creek, Wisconsin

May 28, 2019

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.