

# TI TRUST

TRUE INTEGRITY FIDUCIARY SERVICES

September 17, 2021

To our Shareholders:

On behalf of the TI-Trust, I am pleased to provide you with this offer to purchase your shares.

Just a little more than two years ago, TI-Trust, Inc. was formed as the successor to First Bankers Trust Services, Inc. In 2019, First Bankers Trust Services, Inc. was solely owned by First Bankers Trustshares, Inc. (FBTT), and as part of a re-alignment of ownership by FBTT, on July 1, 2019, shareholders of FBTT received one share of TI-Trust common stock for every one share owned in FBTT. During the past two years, TI-Trust common stock had been restricted as part of the re-alignment. Now that the restrictive period has elapsed, TI-Trust is providing this tender offer as an opportunity for TI-Trust's shareholders to sell their shares and receive cash.

Today, TI-Trust is in a position to offer an additional return of capital to its shareholders via this redemption. The Board has authorized redeeming up to 250,000 shares from existing shareholders at a price between \$5.50 and \$6.50 per share.

Attached, you will find an information statement and a letter of transmittal. I encourage all shareholders of TI-Trust to read and carefully consider the tender offer. Each shareholder will need to make the voluntary election to participate in the tender offer and consider the value of their ownership in TI-Trust.

If you have any questions, please contact our information agent, D.F. King, noted in the offer.

Sincerely,



Brian Ippensen  
President

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TI-TRUST, INC.

**OFFER TO PURCHASE  
UP TO 250,000 OF ITS SHARES FOR CASH  
AT A PURCHASE PRICE NOT LESS THAN \$5.50 PER SHARE AND NOT GREATER THAN \$6.50 PER SHARE**

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TI-Trust, Inc., an Illinois corporation (“TI-Trust”), is offering to purchase up to 250,000 shares of its common stock, par value \$.01 per share (“Shares”), up to a maximum of 50,000 Shares per Shareholder, at a per Share price not less than \$5.50 and not greater than \$6.50, from the tendering Shareholders, in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions described in this offer to purchase (“Offer”).

**The Offer will expire at 5:00 p.m. eastern time on Friday November 5, 2021 (the “Expiration Date”), unless extended or earlier terminated, in TI-Trust’s sole discretion should any condition to the Offer not be met.**

Upon the terms and subject to the conditions of the Offer, promptly after the Expiration Date, TI-Trust will determine a single price per Share (the “Purchase Price”) which will not be less than \$5.50 and will not be greater than \$6.50 per Share, that will be paid subject to “Priority Lot” and proration, taking into account the number of Shares Properly Tendered pursuant to the Offer and the prices specified, or deemed specified, by the tendering Shareholder. Upon the terms and subject to the conditions of the Offer, the Purchase Price will be the lowest price per Share (in increments of \$0.25) of not less than \$5.50 and not greater than \$6.50 per Share, which Shares have been tendered in accordance with the terms and conditions of the Offer, that have not been properly withdrawn and that have been deemed by TI-Trust to be tendered (“Properly Tendered”) that will enable TI-Trust to purchase the maximum number of Shares having an aggregate purchase price not exceeding \$1,625,000 or, if the Offer is not fully subscribed, all Shares Properly Tendered (defined below). All Shares purchased in the Offer will be purchased at the same Purchase Price regardless of whether the Shareholder tendered at a price lower than the Purchase Price. However, because of the “Priority Lot” and proration provisions described in this Offer, it is possible that not all of the Shares tendered at or below the Purchase Price will be purchased if Shares having an aggregate purchase price in excess of \$1,625,000 are Properly Tendered. If you wish to accept the Offer, you must tender all or a portion of your Shares in the manner described in the offer.

The Offer is not conditioned on the receipt of financing or any minimum number of Shares being Properly Tendered. The Offer, however, is subject to other conditions. If you wish to accept the Offer, you must tender all or a portion of your Shares in the manner described in this Offer. **ONCE YOU TENDER YOUR SHARES, YOU MAY NOT WITHDRAW THEM FROM THE OFFER UNLESS TI-TRUST MATERIALLY AMENDS THE TERMS OF THE OFFER.**

**If you are a Shareholder and you wish to accept the Offer, you should complete and sign the letter, which is included with this Offer stating your intentions and the details of such tender (“Letter of Transmittal”) in accordance with the instructions in the Letter of Transmittal, and mail or deliver the Letter of Transmittal to American Stock Transfer (“AST”) at the address listed in the Letter of Transmittal.**

If you have any questions regarding the Offer or need additional copies of any of the documents relating to the Offer, please contact D.F. King & Co., Inc.; 48 Wall Street, 22nd Floor; New York, NY 10005; Banks and Brokers Call: (212) 269-5550; All Others Call Toll Free: (866) 811-1442; Email: [ti-trust@dfking.com](mailto:ti-trust@dfking.com)

No person has been authorized to make any recommendation on behalf of TI-Trust or its board of directors as to whether you or other Shareholders should tender Shares pursuant to the Offer. No other person has been authorized to give any information or to make any representation in connection with this Offer other than those contained in this information statement. In the event such information or recommendation is provided it must not be relied upon as having been authorized by TI-Trust or its board of directors. You must make your own decisions as to whether to tender Shares and, if so, how many Shares to tender. In doing so, you should read carefully the information in this statement and the Letter of Transmittal, including the purposes and effects of the Offer. You are encouraged to discuss your decisions with your own legal advisor, tax advisor and/or financial advisor.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THIS OFFER, PASSED UPON THE MERITS OR FAIRNESS OF THIS OFFER OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURES IN THIS OFFER, AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The date of this Offer is September 20, 2021.

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**PLEASE READ THIS OFFER TO PURCHASE IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.**

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**A. SUMMARY OF TERMS AND PROCEDURE TO TENDER**

This summary of the terms and procedure to tender describes the material terms of the Offer. TI-Trust encourages you to read the entire Offer as well as any information that has been delivered herewith, before making a decision to tender your Shares.

**1. *What is the Offer?***

TI-Trust is offering to purchase for cash up to 250,000 Shares held by an individual or organization who is the registered owner of the Shares pursuant to the records held at AST (“Shareholder”, “you” or “your”). Each Shareholder may tender a maximum of 50,000 Shares. See Section D (1).

**2. *Why is TI-Trust making the Offer?***

TI-Trust has proposed the Offer to utilize a portion of its available cash in an effective manner to return value to its Shareholders at a price per Share that is attractive to TI-Trust and the Shareholders, to provide TI-Trust Shareholders the opportunity to obtain liquidity for their Shares while incurring potentially lower transaction expenses than would be expected to be incurred by them if their Shares were transferred to a third party purchaser, to provide those brokers, dealers, commercial banks, trust companies or other nominees who are unable to maintain custody of a privately held securities with an avenue by which to liquidate the securities, and to assist in achieving TI-Trust’s broader goal of reducing the number of Shareholders of TI-Trust in order to reduce costs and administrative burdens and allow for more streamlined communications with its remaining investor base. See Section D (9). Prior to engaging in the Offer, TI-Trust’s board of directors considered other alternatives and determined that the Offer was the best means to achieve these goals.

**3. *How is the Offer being conducted?***

TI-Trust is conducting this Offer through a modified procedure commonly called a “Dutch Auction.” This procedure allows you to select the price, within a price range specified by TI-Trust, at which you are willing to tender your Shares. The price range for this Offer is not less than \$5.50 and not greater than \$6.50 per Share.

**4. *How will the Purchase Price be determined?***

TI-Trust will select the single lowest purchase price (in increments of \$0.25) not less than \$5.50 nor greater than \$6.50 per Share that will allow TI-Trust to purchase up to 250,000 Shares at such price, subject to “Priority Lot” and proration, based on the number of Shares Properly Tendered (or if the Offer is not fully subscribed), all Shares Properly Tendered. See Section D (2). TI-Trust will purchase all Shares, at the Purchase Price, even if some Shareholders have selected a price lower than the Purchase Price, but will not purchase any Shares Properly Tendered at a price above the Purchase Price.

**5. *How will TI-Trust pay for the Shares?***

Assuming TI-Trust purchases 250,000 Shares in the Offer at the maximum Purchase Price of \$6.50 per Share, approximately \$1,625,000 of TI-Trust cash will be required to purchase all such Shares. TI-Trust has sufficient excess cash and will use it for the purchase.

**6. *Do I have to participate in this Offer?***

No. It is not mandatory for you to participate in the Offer. Eligible Shareholders may, but are not required to, tender their Shares. The Offer is not conditioned upon any minimum number of Shares being tendered.

**7. *If I want to participate in the Offer, do I have options in how I may participate?***

a. If you have 1,501 or more Shares, you may tender all or a portion of your Shares (up to 50,000 Shares) at a specified price between \$5.50 and \$6.50 or you may tender all or a portion of your Shares at an unspecified price that will be determined by TI-Trust in accordance with the terms of the Offer.

b. If you have 1,500 Shares or less you must tender all of your Shares. You may tender all of your Shares at a specified price between \$5.50 and \$6.50 or you may tender all of your Shares at an unspecified price that will be determined by TI-Trust in accordance with the terms of the Offer. See Section D (3).

**8. *How do I tender my Shares?***

If you want to tender your Shares in the Offer, you must do one of the following before 5:00 p.m. eastern time on Friday November 5, 2021, or any later time and date to which the Offer may be extended:

- a. If you hold Shares in your own name at AST, complete and sign a Letter of Transmittal, according to the instructions to the Letter of Transmittal and deliver it, together with any required signature guarantees, if applicable, and any other documents required by the Letter of Transmittal to AST, or
- b. If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact your broker, dealer, commercial bank, trust company or other nominee and have such nominee tender the Shares for you.

**9. *Can I withdraw Shares previously tendered?***

Once your Shares are Properly Tendered you cannot withdraw your tender unless TI-Trust materially changes the Offer. See Section D (12).

**10. *How long do I have to tender my Shares?***

You may tender your Shares until the Offer expires. The Expiration Date of the Offer is Friday November 5, 2021 at 5:00 p.m. eastern time, unless TI-Trust extends it. TI-Trust may extend the Offer at any time before the Expiration Date of the Offer and may terminate the Offer at any time, in its sole discretion, if any condition to the Offer described in Section D (3) is not met. TI-Trust cannot assure you, however, that it will extend the Offer or, if it is extended, for how long. If TI-Trust extends the Offer, TI-Trust will delay the acceptance of any Shares that have been Properly Tendered.

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadlines for participation in the Offer. Accordingly, beneficial owners wishing to participate in the Offer should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Offer.

**11. *How will I be notified if TI-Trust extends the Offer?***

If TI-Trust decides to extend the Expiration Date, TI-Trust will issue a press release by posting it on the TI-Trust website on or before 11:00 a.m. eastern time on the business day after the previously scheduled Expiration Date. You may access this information by going to [www.ti-trust.com](http://www.ti-trust.com) and clicking on News/Publications/Corporate.

**12. *How can I maximize the chances that my Shares will be purchased by TI-Trust in the Offer?***

If you wish to maximize the chances of having TI-Trust purchase your Shares (subject to Priority Lot and proration provisions of the Offer) you should elect to tender your Shares at a Purchase Price determined by TI-Trust in accordance with the Offer. This election may lower the Purchase Price paid for Shares in the Offer and could result in your Properly Tendered Shares being purchased at the minimum price of \$5.50 per Share.

**13. *Is it reasonable for me to expect that at least some of the Shares I tender will be purchased in the Offer?***

Subject to the satisfaction or waiver of the conditions to the Offer, if you have Properly Tendered your Shares at \$5.50 per Share (the minimum Purchase Price pursuant to the offer) you can reasonably expect to have at

least a portion of your Shares purchased pursuant to the Offer (subject to the provisions relating to Priority Lot).

**14. *How will I know what price I received for my Shares?***

TI-Trust will publicly announce the Purchase Price promptly after it has been determined. On the terms and subject to the conditions of the Offer (including the “Priority Lot,” proration, and conditional tender provisions), as promptly as practical following the Expiration Date, TI-Trust will pay the Purchase Price in cash, less any applicable withholding taxes and without interest, to all Shareholders who have Properly Tendered their Shares that have been accepted for payment at prices equal to or less than the Purchase Price.

**15. *What will happen if I do not tender my Shares?***

You will remain a Shareholder of TI-Trust and will participate in the appreciation or depreciation of value of Shares and the right to vote as a Shareholder, as well as any future capital distributions (if approved by the board of directors).

**16. *What happens if I elect to tender all of my Shares?***

If you elect to tender all of your Shares pursuant to the Offer (up to a maximum of 50,000 Shares) and TI-Trust elects to purchase such Shares in accordance with the terms of this Offer, once the Offer is completed, you will no longer be a Shareholder of TI-Trust (provided that you own no more than 50,000 Shares) and you will no longer have the opportunity to vote any Shares or to participate in the potential equity appreciation or receive any distributions from TI-Trust after the completion of the Offer. Conversely, if you elect to tender some, but not all, of your shares, or if you elect not to participate in the Offer, you will continue to face the risk of any decrease in the value of TI-Trust’s Shares, as well as continue to have the opportunity for increase in the value of TI-Trust’s Shares.

**17. *Can I tender Shares at more than one price within the \$5.50 - \$6.50 range?***

No. You can only tender Shares at one specific price within the \$5.50 to \$6.50 range.

**18. *When and how will TI-Trust pay for the Shares I tender that are accepted for payment?***

Promptly after the Expiration Date and the acceptance of the Shares for payment, TI-Trust will pay the Purchase Price to the tendering Shareholder in cash, less any applicable withholding taxes and without interest, for the Shares it purchases. TI-Trust will announce the preliminary results of the Offer, including the preliminary information about any expected proration, on the next business day following the Expiration Date. TI-Trust does not expect, however, to announce the final results of any proration or the Purchase Price and begin paying for tendered Shares until at least five (5) business days after the Expiration Date.

The Purchase Price for your Shares will be paid to you in cash. TI-Trust expects to use its available cash on hand. If you have previously elected to receive your TI-Trust dividends via direct deposit, you will receive the proceeds from the tender of your Shares in this Offer in the same manner. If you have not previously established direct deposit instructions, a check will be mailed to you promptly following the expiration of the Offer (including any extended Expiration Date). TI-Trust will not pay any interest on the Purchase Price, whether during the period between when your Shares are tendered and the date you receive payment, or otherwise.

**19. *Will I have to pay brokerage fees and commissions if I tender my Shares?***

No, if you are the holder of record of your Shares. There is no charge by TI-Trust or AST when you tender your Shares. If your Shares are held through a broker, dealer, commercial bank, trust company, or other nominee and your broker tenders Shares on your behalf, they may charge you a fee for this tender. We urge you to consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

**20. *If I participate in the Offer and my Shares are accepted, will I be taxed on the monies I receive?***

The sale of your Shares pursuant to the Offer will generally be a taxable transaction for United States

federal income tax purposes and may be taxable for state and local income tax purposes. You should consult with your tax advisor before tendering your Shares pursuant to the Offer.

**21. *If I own 1,500 Shares or less and I tender all of my Shares, will I be subject to proration?***

If you own 1,500 Shares or less in the aggregate, you Properly Tender all of these Shares at or below the Purchase Price or tender all of your Shares at an unspecified price that will be determined by TI-Trust in accordance with the terms of the Offer, and you complete the section entitled “Priority Lots” in the Letter of Transmittal, TI-Trust will purchase all of your Shares without subjecting them to the proration procedures, upon the terms and subject to the conditions of the Offer.

**22. *What is the accounting treatment of the Offer?***

The accounting for TI-Trust’s purchase of Shares in the Offer will result in a reduction of TI-Trust’s total equity in an amount equal to the aggregate Purchase Price of the Shares purchased, a corresponding reduction in cash and cash equivalents, and a reduction in the number of outstanding Shares for the purpose of calculating earnings per Share, in an amount equal to the number of Shares that are purchased pursuant to the Offer.

**23. *How will the Offer affect the number of Shares outstanding and the number of record holders of TI-Trust?***

As of the date of this Offer, there are 352 Shareholders of TI-Trust who collectively own 3,089,773 Shares. This Offer (if fully subscribed) will reduce the number of Shareholders and reduce the number of outstanding Shares.

**24. *What happens if the number of Shares tendered in the Offer is more than 250,000?***

Upon the terms and subject to the conditions of the Offer, if the number of Shares Properly Tendered at or below the Purchase Price prior to the Expiration Date would result in an aggregate purchase price of more than \$1,625,000, TI-Trust will purchase Shares at the Purchase Price by purchasing all Shares Properly Tendered by the Expiration Date by a Priority Lot Shareholder, and after the purchase of all the Shares Properly Tendered by Priority Lot Shareholders, all other Shares Properly Tendered on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until TI-Trust has purchased 250,000 Shares. See Section D (5).

**25. *Are there any conditions to the Offer?***

Yes. TI-Trust’s obligation to accept and pay for your Property Tendered Shares depends upon a number of conditions. See Section D (10).

**26. *Does TI-Trust’s board of directors think the Offer is fair and have they adopted a position on the Offer?***

TI-Trust’s board of directors believes that the Offer is fair to the Shareholders of TI-Trust, whether or not such Shareholders are eligible to participate. Further, while the board of directors has authorized TI-Trust to make the Offer, neither TI-Trust nor its board of directors makes any recommendation to you as to whether to tender or refrain from tendering your Shares or as to any price at which you might tender Shares. You must make your own decision as to whether to tender your Shares and, if so, how many Shares and at what price to tender. Prior to making any decision with respect to the Offer, you should carefully read the information in this Offer and the Letter of Transmittal, including the reasons for making the Offer.

**27. *Will TI-Trust’s board of directors or executive managers tender any Shares in the Offer?***

TI-Trust’s board or directors and executive managers will not tender any of their Shares in the Offer. Accordingly, the equity ownership of TI-Trust’s board of directors and executive managers who currently hold Shares will proportionally increase as a percentage of TI-Trust’s outstanding Shares following the conclusion of the Offer. TI-Trust’s other employees, including officers who are not executive managers, are permitted to participate in the Offer on the same terms as other Shareholders and may do so in their discretion, subject to TI-Trust’s internal

compliance requirements.

**28. *Whom do I contact if I have questions about the Offer?***

If you have any questions regarding the Offer or need additional copies of any of the documents relating to the Offer, please contact:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Banks and Brokers Call: (212) 269-5550  
All Others Call Toll Free: (866) 811-1442  
Email: [ti-trust@dfking.com](mailto:ti-trust@dfking.com)

**B. SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This Offer contains certain forward-looking statements and information with respect to the financial condition, results of operations and business of TI-Trust. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management and on information available to TI-Trust's management at the time that this Offer was prepared. These statements might be identified by the use of words like "expect," "anticipate," "estimate," and "believe," and variations on these words and other similar expressions. Readers should not place undue reliance on forward-looking statements that reflect management's view only on the date of the Offer. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. TI-Trust does not undertake, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

**C. INTRODUCTION**

TI-Trust, headquartered in Quincy, Illinois, is a company that provides fiduciary services for employee benefits, personal trust and farm services. On November 12, 1946, a group of local businessmen in Quincy, Illinois joined forces to establish a new bank on Quincy's north side: Broadway National Bank. In 1956, Broadway National Bank obtained trust powers and established a trust department. In 1988, Broadway National Bank changed its name to First Bankers Trust Company, N.A. ("FBTC"). In doing so, FBTC's trust department began expanding its geographic reach in order to provide services, for the first time, to those outside of the local community. As a result, the trust department of the bank's list of available services grew to include providing fiduciary services to employee stock ownership plans (ESOPs) and other employee benefit plans such as 401(k) s, 403(b) s, and nonqualified plans. In 2004, FBTC's trust department separated from FBTC and became First Bankers Trust Services, Inc. ("FBTS"), a separate entity and a wholly owned subsidiary of First Bankers Trustshares, Inc. ("FBTT") which was also the parent company of FBTC. With this milestone came another expansion of services in the personal trust area to include wealth management and a highly specialized farm services group which provided farm management and appraisal services. After 15 years as a subsidiary of FBTT, FBTS spun off from FBTT on July 1, 2019 to operate as its own independent company and changed its name to TI-Trust. As a part of that spin-off, Shareholders of FBTT received 1 share of TI-Trust stock for every 1 share of FBTT stock they held. TI-Trust has locations in five states and holds more than \$14 billion in assets under management for individuals and institutions nationwide. See Section D (21) for the biographies of TI-Trust's directors and executive managers.

TI-Trust is offering to purchase up to 250,000 Shares held by Shareholders who own, of record or beneficially, Shares on September 20, 2021. You are only eligible to tender up to a maximum of 50,000 Shares. Properly Tendered Shares will be purchased at not less than \$5.50 per Share and not greater than \$6.50 per Share in cash, without interest. The purchase price range for the Offer was determined by TI-Trust's board of directors based, in part, upon the estimated fair market value of one common share on a minority, non-marketable basis as determined by an independent valuation firm. A proper tender will include delivery of a properly executed Letter of Transmittal to AST at the address provided in the accompanying Letter of Transmittal, in such a manner as is outlined in the Letter of Transmittal. Payment for Properly Tendered Shares will be made promptly following the Expiration Date.



**Participation in the Offer is voluntary.** You may choose to participate in this Offer or you may continue to hold all of your Shares and retain your current rights as a Shareholder of TI-Trust, including the right to vote your Shares and receive distributions to the extent distributions are declared and paid. If you are a Shareholder and you elect to accept the Offer, you may tender some or all of your Shares, up to a maximum of 50,000 Shares. Only Shares Properly Tendered will be purchased subject to the terms and conditions of the Offer.

#### **D. TERMS OF THE OFFER**

##### ***Section 1. Purposes of the Offer, Certain Effects of the Offer:***

The purpose of the Offer is to return capital to Shareholders of TI-Trust, among other purposes described below. In particular, TI-Trust believes the modified “Dutch Auction” approach set forth in this Offer is a mechanism that will provide all Shareholders of TI-Trust with the opportunity to tender all or a portion of their Shares if they so elect at a price they may select within the specified range. The Offer also provides those broker, dealer, commercial bank, trust company or other nominee who are unable to maintain custody of a privately held securities an avenue by which to liquidate the Shares. In addition, the Offer provides Shareholders with an opportunity to obtain liquidity with respect to all or a portion of their Shares, without the usual transaction costs inherent in open market purchases and sales. Shareholders who choose not to participate will increase their relative percentage interest in TI-Trust and its future results. The TI-Trust board of directors has proposed the Offer for the following purposes:

- a. Provide a Return of Capital to Shareholders at a Price Considered Attractive to TI-Trust and the Shareholder. The Offer will provide you with the opportunity to elect to sell some or all of your Shares at a price near the estimated fair market value of one common share of TI-Trust. TI-Trust considers this repurchase to be an effective method of returning capital to you.
- b. Provide Shareholders the Opportunity to Obtain Liquidity. TI-Trust stock is privately held and TI-Trust has no current intentions of becoming publicly traded on an exchange. As such it may be difficult for you to dispose of your Shares when you choose, or at a price acceptable to you given the costs associated with such transfers. The Offer will permit you to directly tender Shares to TI-Trust without incurring the costs of transferring such Shares to third party purchasers. Please note that this is TI-Trust’s first offer to purchase Shares from you, and no assurance can be given as to when or if you will have the opportunity to participate in a similar liquidity event in the future.
- c. Streamline Capital Base. The Offer may have the effect of reducing the total number of Shareholders, particular holders of relatively few Shares. Reducing the number of Shareholders would allow TI-Trust to reduce the administrative burdens associated with having a relatively large number of Shareholders, including notice and mailing obligations in connection with potential meetings, consents and investor updates and costs and time associated with responding to Shareholder inquiries and requests, whether on a regular basis or in connection with any potential transactions that TI-Trust may enter into in the future. TI-Trust believes that such costs are disproportionate given the small number of Shares held by such Shareholders.
- d. Therefore, although you may elect to participate in the Offer and may choose to tender only a portion of your Shares, the board of directors recognizes that there would be greater benefits to TI-Trust and the remaining Shareholders if you tender all of your Shares (up to 50,000 Shares per Shareholder), if you decide to tender any of your Shares, because that would achieve TI-Trust’s broader goal of reducing costs and administrative burdens by reducing the number of Shareholders. The board of directors’ preference would be to capture those potential benefits for TI-Trust and the remaining Shareholders. The other terms of the Offer, including the purchase price, reflect that preference.**

##### ***Section 2. Aggregate Purchase Price for Shares:***

Upon the terms and subject to the conditions of the Offer, TI-Trust will purchase 250,000 Properly Tendered Shares, or such fewer number of Properly Tendered Shares, before the scheduled Expiration Date of the Offer, at a price range of not less than \$5.50 per Share and not greater than \$6.50 per Share in cash, without interest.

**Section 3. Procedure for Accepting the Offer and Tendering Shares:**

a. General: If you are a Shareholder, and you wish to tender some or all of your Shares, you should complete and sign the Letter of Transmittal according to its instructions as provided in this Offer and the Letter of Transmittal. You should mail or send via courier the Letter of Transmittal, together with IRS Form W-9 or appropriate form W-8, as applicable and other required documents in the enclosed envelope on so that it is received by AST prior to 5:00 p.m. eastern time on November 5, 2021.

b. Method of Delivery: The Letter of Transmittal must be delivered by mail or courier to:

American Stock Transfer & Trust Company, LLC  
c/o Reorganization Department  
6201 15th Avenue  
Brooklyn, New York 11219

Delivery of the Letter of Transmittal to an address other than as set forth above will not constitute a valid delivery. Deliveries to TI-Trust will not be forwarded to AST and therefore will not constitute valid delivery to AST. You should read carefully all of the instructions set forth in the Letter of Transmittal before you complete the Letter of Transmittal. **For this reason TI-Trust highly recommends utilizing a method of sending your Letter of Transmittal that produces a confirmation of delivery such as certified mail or overnight courier service.**

c. No Guaranteed Delivery. TI-Trust is not providing for guaranteed delivery procedures. Therefore, you must allow sufficient time for the necessary Offer procedures to be completed during normal business hours of AST. In addition, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees and any other documents required by the Letter of Transmittal (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents) must be received by AST prior to 5:00 p.m., Eastern time, on the Expiration Date. You must tender your Shares in accordance with the procedures set for in this Offer and the Letter of Transmittal. Any Letter of Transmittal received by AST after the Expiration Date will be disregarded and be of no effect.

d. Signature Guarantees for Shares. Except as otherwise provided below, all signatures on the Letter of Transmittal must be guaranteed by a financial institution (including most banks and brokerage houses) which is a participant in the Securities Transfer Agents Medallion Program. However, signatures on the Letter of Transmittal need not be guaranteed if: (i) the Letter of Transmittal is signed by the registered holder(s) of the Shares Properly Tendered pursuant to the Offer and Letter of Transmittal and such holder(s) have not completed the box entitled "Special Payment Instructions" or "Special Delivery Instructions" on the Letter of Transmittal; or (ii) such Shares are Properly Tendered for the account of a financial institution (including most banks and brokerage houses) which is a participant in the Securities Transfer Medallion Program.

f. Tender Constitutes Binding Agreement: The tender of your Shares pursuant to any one of the procedures described in this Offer and the Letter of Transmittal will constitute your acceptance of the Offer, as well as your representation and warranty that you have the full power and authority to tender and assign the Shares tendered, as specified in the Letter of Transmittal. Your acceptance of payment of Shares tendered pursuant to the Offer will constitute a binding agreement between you and TI-Trust pursuant to the terms and subject to the conditions of the Offer.

g. Determination of Validity: TI-Trust will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal, and such determination will be final and binding to the fullest extent permitted by law, subject to your rights as a Shareholder to challenge such determination with respect to your Shares in a court of competent jurisdiction. TI-Trust reserves the absolute right to reject any and all tenders determined by TI-Trust not to be in proper form or the acceptance for payment of which may, in TI-Trust's opinion, be unlawful. TI-Trust also reserves the absolute right to waive any defect or irregularity in the tender of any Shares of any particular Shareholder, whether or not similar defects or irregularities are waived in the case of other Shareholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived to the satisfaction of TI-Trust. Neither TI-Trust, AST nor any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure

to give any such notification. Subject to applicable law as applied by a court of competent jurisdiction, the terms of the Offer and your right to challenge such interpretation with respect to your Shares in a court of competent jurisdiction, TI-Trust's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

***Section 4. Priority of Purchase:***

For purposes of the Offer, the term "Priority Lot" shall mean all Shares Properly Tendered prior to the Expiration Date by a Shareholder who owns beneficially or of record an aggregate of 1,500 Shares or less and so certifies in the appropriate place on the Letter of Transmittal. To participate in this Offer, a Priority Lot Shareholder must tender all Shares owned beneficially or of record by the Priority Shareholder in accordance with the procedures described in Section D9(4) and the section entitled "Priority Lots" in the Letter of Transmittal. TI-Trust has 209 Priority Lot Shareholders, who collectively own 108,190 Shares.

Upon the terms and subject to the conditions of the Offer, if greater than 250,000 Shares have been Properly Tendered prior to the Expiration Date as follows: (i) TI-Trust will purchase all Shares Properly Tendered prior to the Expiration Date by any Priority Lot Shareholders who tenders all Shares owned beneficially or of record by that the Priority Lot Shareholder (tenders of fewer than all the Shares owned by that Priority Lot Shareholder are not permitted and completes the section entitled "Priority Lots" in the Letter of Transmittal, and (ii) after the purchase of all of the Shares Properly Tendered by Priority Lot Shareholders, subject to the Offer, TI-Trust will purchase all other Shares Properly Tendered prior to the Expiration Date, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, until TI-Trust has purchased 250,000 Shares.

***Section 5. Proration:***

In the event of an over-subscription of the Offer (greater than 250,000 Shares) as described below, Shares Properly Tendered will be subject to proration, except for Priority Lot Shareholders.

If the number of Shares Properly Tendered prior to the Expiration Date is fewer than or equal to 250,000 Shares, TI-Trust will, upon the terms and subject to the conditions of the Offer, purchase all such shares.

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to other conditions described herein.

Only Shares Properly Tendered will be purchased, upon the terms and subject to the conditions of the Offer. However, because of the Priority Lot and proration provisions of the Offer, all of the Shares Properly Tendered will not be purchased if more than the number of shares TI-Trust seeks are Properly Tendered. Except in the case of Priority Lot Shareholders, you can specify the order in which specified portions of your Shares will be purchased in the event that, as a result of the proration provisions or otherwise, some but not all of the Properly Tendered Shares are purchased pursuant to the Offer. In the event you do not designate the order and fewer than all Shares are purchased due to proration, the total number of Shares you have Properly Tendered at or below the Purchase Price will be added together and subjected to the proration.

If proration of Properly Tendered Shares is required, TI-Trust will determine the proration factor as soon as practicable following the Expiration Date. Subject to adjustment to avoid the purchase of fractional shares, proration for each Properly Tendered Shares, other than Priority Lot Shareholders, shall be based on the ratio of the number of Properly Tendered Shares by the Shareholder to the total number of Shares Properly Tendered by all Shareholders, other than Priority Lot Shareholders. Because of the difficulty in determining the number of Shares Properly Tendered and because of the Priority Lot procedure described above, TI-Trust does not expect that it will be able to announce the final proration factor or commence payment for any Shares purchased pursuant to the Offer until approximately five (5) business days after the Expiration Date. TI-Trust will announce the preliminary results of any proration by posting it on TI-Trust's website promptly after the Expiration Date. You may be able to obtain this information from your broker(s).

The purchase from you pursuant to the Offer will likely have U.S. federal income tax consequences to you and, therefore, may be relevant to your decision whether or not to tender Shares and/or the order of priority you're

your Shares would be purchased. The Letter of Transmittal affords you the opportunity to designate the order of priority that your Shares are to be purchased in the event of proration as well as the ability to condition such tender on a minimum number of shares being purchased. This may allow you to designate how or whether Shares that would result in a higher tax basis are tendered. You should discuss this with your tax advisor before completing the letter of Transmittal.

This Offer and the Letter of Transmittal was mailed to record holders of Shares and was be furnished to brokers, dealers, commercial banks, trust companies and other nominee, Shareholders and similar persons whose names, or the names of whose nominees, appear on TI-Trust's Shareholder list or, if applicable, that are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

#### **Section 6.       *Effects of Offer Generally:***

The Shares purchased in the Offer will be held as treasury stock by TI-Trust. If TI-Trust elects to purchase Shares in accordance with the terms of this Offer, and if you elect to tender all of your Shares, you will no longer have the opportunity to vote your Shares or to participate in potential appreciation in TI-Trust stock or to receive any distributions from TI-Trust with a record date after the completion of the Offer. Conversely, if you elect to tender some, but not all, of your Shares, or if you elect not to participate in the Offer, you will face the risk of any decrease in the value of TI-Trust's Shares.

The Shareholders who are eligible to participate in the Offer hold in the aggregate approximately 2,847,849 Shares. TI-Trust is offering to purchase up to an aggregate of 250,000 Shares for the purchase price of not less than \$5.50 per Share and not greater than \$6.50 per Share. The board of directors has determined that the purchase price of \$5.50-\$6.50 per share is fair to all Shareholders of TI-Trust, including Shareholders both eligible and non-eligible to participate in the Offer.

TI-Trust's board of directors has decided to provide you, through this modified "Dutch Auction" offer, with the opportunity to tender all or a portion of your Shares up to 50,000 Shares, in return for cash up to \$5.50 per share and not greater than \$6.50 per share in value, and thereby receive a return of capital on some or all of your investment in TI-Trust if you so elect.

TI-Trust believes that the modified "Dutch Auction" approach set forth herein represents an efficient mechanism to provide you with the opportunity to tender all or a portion of your Shares and thereby receive a return of capital of some or all of your investment in TI-Trust if you so elect. This Offer provides you with an opportunity to obtain liquidity with respect to all or a portion of your Shares without potential disruption to the Share price.

If all eligible Shareholders participate in the Offer and tender all of their Shares, TI-Trust expects to pay not greater than approximately \$1,625,000 and not less than approximately \$1,375,000 in the aggregate to purchase such Shares. TI-Trust does not believe the completion of the Offer will have a material effect on TI-Trust's financial condition or on its results of operations. Purchases of Shares will be funded with TI-Trust available cash on hand. In addition, following completion of the Offer, TI-Trust intends to continue to operate its business in primarily the same manner as currently conducted. No changes in TI-Trust's directors, executive managers, or managers are anticipated as a result of the Offer.

Except as described in this Offer, TI-Trust does not have any definitive and immediate plans that would result in:

- a.       any extraordinary transaction, such as a sale of TI-Trust, an initial public offering, or acquisition of other companies;
- b.       any other material change in TI-Trust's structure or business; or
- c.       the acquisition by any person of additional securities of TI-Trust or the disposition of securities of TI-Trust.

Notwithstanding the foregoing, TI-Trust reserves the right to change its plans and intentions at any time as it deems

appropriate, and will continue to evaluate all options and strategic alternatives. From time to time TI-Trust has explored, and expects after this Offer, to continue to explore strategic alternatives, including possible business combinations or other strategic transactions with other entities. TI-Trust intends to actively seek ways to grow its business and increase the value of TI-Trust for all Shareholders. The TI-Trust board of directors continues to review the positioning and react to market conditions. There is no assurance that such a transaction will not occur at a time after the date of this Offer.

**Section 7.        *Effects of Offer on Shareholders:***

The effects of the Offer on you will vary depending on whether or not you are eligible to participate in the Offer, whether or not you choose to tender your Shares pursuant to the Offer, and the amount of Shares tendered by you, if you choose to participate in the Offer.

The effects of the Offer on you if you are an eligible and tendering Shareholder will be as follows:

- a.        You will receive not less than \$5.50 per Share and not greater than \$6.50 per Share in cash, without interest.
- b.        If TI-Trust elects to purchase Shares in accordance with the terms of this Offer and you have tendered all of your Shares, you may, after completion of the Offer, no longer have any equity interest in TI-Trust and therefore will not participate in its future potential earnings or growth, if any, or bear the risk of any possible future loss in value of that former equity interest.
- c.        If you tender only a portion of your Shares you will, after completion of the Offer, remain a Shareholder of TI-Trust and therefore will continue to participate in its future potential earnings or growth, if any, and bear the risk of any possible future loss in value of your equity interest.
- d.        You will generally be required to pay federal and, if applicable, state and local income taxes on any income or gain recognized upon receipt of the cash in the Offer.

Potential effects, after the completion of the Offer, if you are not eligible to participate in the Offer, or decide not to participate, include the following:

- a.        **Book Value and Earnings per Share:** If the Offer is fully subscribed, TI-Trust's book value per outstanding share would decrease by approximately 5.4%, and earnings per share would increase by approximately 6.2%.
- b.        **Share Ownership:** If the Offer is fully subscribed, TI-Trust expects that the percentage of beneficial ownership of TI-Trust equity interest held by the board of directors and executive management of TI-Trust as a group will increase from 7.8% to 8.5%, resulting in a small increase in voting power for the board of directors and executive management.

**Section 8.        *No Tax Advice:***

For U.S. federal income tax purposes, the exchange of Shares for cash pursuant to the Offer generally will, depending on each tendering Shareholder's particular circumstances, be treated as either a sale or exchange of Shares or as a distribution with respect to such Shareholder's Shares. You are encouraged to consult your own tax advice regarding the tax impacts of a tender of your Shares pursuant to the Offer.

TI-Trust makes no warranties or representations with respect to the income tax consequences of tendering your Shares pursuant to the Offer.

**Section 9.        *Determination of Fairness of Offer by TI-Trust's Board of Directors:***

In determining a fair and equitable price range for the Offer, TI-Trust's board of directors determined that the purchase price range of \$5.50-\$6.50 per Share represents an amount roughly equal to the fair market value of

one common share on a minority, non-marketable basis, of TI-Trust. The board of directors also considered the current book value per share of TI-Trust, TI-Trust's financial performance to date and other factors. After careful consideration of these factors, TI-Trust's board of directors concluded that the \$5.50 - \$6.50 price per Share range is fair.

Specifically, the board of directors believes that the Offer is fair to you for the following reasons:

- a. The Offer is voluntary. You are not required to tender your Shares.
- b. The Offer purchase price range of \$5.50 - \$6.50 for each Shares Properly Tendered pursuant to the Offer range may represent a premium over the independent value of one common share which as of December 31, 2020 was \$6.10 on a minority, non-marketable basis.
- c. If you directly tender your Shares to TI-Trust, you benefit from the opportunity to sell Shares that would be otherwise difficult to sell due to the lack of public market for such Shares, and the difficulty of selling your Shares at all to third party purchasers on terms acceptable to them.
- d. If you tender all of your Shares, you will no longer bear the risk of losses in TI-Trust's equity value.

These benefits, however, must be weighed against the fact that if you do not tender your Shares in the Offer or you otherwise retain an equity interest in TI-Trust as a result of a partial tender of Shares, you will remain a Shareholder of TI-Trust and will continue to benefit from any future earnings and growth in TI-Trust.

TI-Trust's board of directors also believes that the Offer is fair to you if you are not eligible to participate or if you otherwise decide not to tender any Shares, or only a portion of your Shares, pursuant to the Offer. This good faith belief is based on the following considerations:

- a. The reduction in Shares that are tendered will increase your relative percentage ownership of TI-Trust if you remain a Shareholder after the Offer.
- b. The Purchase Price is at a price that is favorable for TI-Trust while still within the range of prices based on various reasonable assumptions.
- c. The Purchase Price is within the range of values based upon the board of directors' view of the prospects of TI-Trust.
- d. A reduction in the number of TI-Trust's Shareholders would serve the purpose of reducing TI-Trust's administrative expenses and burdens associated with meetings of the Shareholders and other administrative matters. The board of directors recognizes that there is no assurance that this goal can be achieved in the Offer given that partial tenders by Shareholders (other than by Priority Lot Shareholders) can be made. The board of directors considered whether to require only full tenders for Shareholders other than by Priority Lot Shareholders as a condition to the Offer, but determined that the other advantages to TI-Trust and its remaining Shareholders from accepting partial tenders outweighed the potential cost savings and administrative efficiencies that are anticipated from reducing the number of Shareholders.

The above discussion is not intended to be exhaustive. It is merely intended to highlight some of the factors upon which TI-Trust's board of directors based its determination that the Offer is fair to you and all TI-Trust Shareholders. In reaching the determination that the Offer is fair, the board of directors considered all factors as a whole.

The Offer was approved unanimously by TI-Trust's board of directors on April 26, 2021. Given the consensus of the board of directors that the Offer is fair to all Shareholders, the board of directors did not believe that it was necessary to appoint a committee of disinterested directors or obtain an unaffiliated representative to negotiate the terms of the Offer. TI-Trust's board of directors determined that the engagement of an unaffiliated

Shareholder representative was not necessary, practical or advisable and would constitute an unnecessary expense because of the relatively small size of the Offer, the voluntary nature of the Offer and the potential premium of the Purchase Price offered over fair market value.

TI-Trust's board of directors also believes that the Offer is procedurally fair because it is voluntary for you if you are eligible to tender your Shares. As a result, you are entitled to make individual decisions based on your personal financial and tax situation, personal risk tolerance and personal view of TI-Trust.

No other action of TI-Trust Shareholders related to the Offer is required under Illinois law and the board of directors did not deem it necessary or appropriate to subject the Offer to the approval of the Shareholders; the voluntary and uncoercive nature of the transaction affords the participating Shareholders ample protection. Additionally, all TI-Trust Shareholders, including those ineligible to participate in the Offer, have been notified of the Offer.

Because the Offer will result in as much as an approximate 5.4% decrease in book value per outstanding Share and a 6.2% increase in earnings per Share, the board of directors did not appoint a representative for non-eligible TI-Trust Shareholders. In addition, because the Shareholders entitled to participate in the Offer will generally be financially affected in an identical manner as the Shareholders not entitled to participate in the Offer, the board of directors determined that a representative for the Shareholders not entitled to participate in the Offer was not warranted.

NEITHER TI-TRUST NOR THE TI-TRUST BOARD OF DIRECTORS IS MAKING ANY RECOMMENDATION REGARDING WHETHER YOU SHOULD TENDER YOUR SHARES IN THE OFFER AND NEITHER TI-TRUST NOR THE TI-TRUST BOARD OF DIRECTORS KNOWS THE PERSONAL FINANCIAL SITUATION OF TI-TRUST SHAREHOLDERS. ACCORDINGLY, YOU MUST MAKE YOUR OWN DETERMINATION AS TO WHETHER OR NOT TO TENDER ANY OR ALL OF YOUR SHARES.

***Section 10. Conditions to Offer:***

The Offer is not conditioned on the receipt of tenders for any minimum number of total Shares. TI-Trust will not accept any conditional or contingent tenders. TI-Trust reserves the right in its sole discretion to reject any improper tender. If TI-Trust should fail at any time to exercise its rights, it shall not constitute a waiver of those rights.

Notwithstanding any other provision of the Offer, TI-Trust will not be required to accept for payment or pay for any Shares tendered, and may terminate or amend and may postpone the acceptance for payment of Shares tendered, if at any time after the date of this Offer and at or before the Expiration Date of the Offer, any of the following shall have occurred:

a. there shall have been instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency or authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that (i) challenges the acquisition of Shares pursuant to the Offer or otherwise in any manner relates to or affects the Offer, or (ii) in the sole reasonable judgment of TI-Trust's board of directors, could materially and adversely affect the business, condition (financial or otherwise), income, operations or prospects of TI-Trust and its subsidiaries, taken as a whole;

b. there shall have been any action pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or TI-Trust or any of its subsidiaries, by any legislative body, court, authority, agency or tribunal which, in TI-Trust's board of directors' sole reasonable judgment, would or could result in or have the ability to (i) make the acceptance for payment of, or payment for, some or all of the Shares illegal or otherwise restrict or prohibit consummation of the Offer, (ii) delay or restrict the ability of TI-Trust, or render it unable, to accept for payment or pay for some or all of the Shares, or (iii) materially and adversely affect the business, condition (financial or otherwise), income, operations or prospects of TI-Trust and its subsidiaries, taken as a whole;

c. there shall have occurred (i) any change in the general political, market, economic or financial condition in the United States or abroad that could have a material adverse effect on TI-Trust's business, condition (financial or otherwise), income, operations, prospects or ability to obtain financing generally, (ii) acts beyond TI-Trust's reasonable control, including, without limitation, acts of God; flood, fire, earthquake, or explosion; commencement of war, invasion, armed hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, or other international or national calamity directly or indirectly involving the United States; government order or law, actions, embargoes, or blockades in effect on or after the date of this Offer; action by any governmental authority, national or regional emergency, strikes, labor stoppages or slowdowns, or other industrial disturbances, and shortage of adequate power or transportation facilities, or (iii) in the case of any of the foregoing existing during the time of the Offer, which in the board of directors' sole reasonable judgment, represents a material acceleration or worsening thereof; or

d. there shall have occurred any event or events resulting in, or that may, in the sole reasonable judgment of TI-Trust's board of directors, result in an actual material and adverse change in the business, condition (financial or otherwise), income, operations, share ownership or prospects of TI-Trust and, in the sole reasonable judgment of the board of directors, such event or events make it undesirable or inadvisable to proceed with the Offer or with the acceptance of Shares for payment.

The foregoing conditions are for the reasonable benefit of TI-Trust and may be asserted by TI-Trust regardless of the circumstances (other than as a result of any action or inaction by TI-Trust) giving rise to any of these conditions, and any such condition may be waived by TI-Trust, in whole or in part, at any time and from time to time in its reasonable discretion. The failure by TI-Trust at any time to exercise any of the foregoing rights shall not be deemed a waiver of the right and each of these rights shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by TI-Trust or its board of directors concerning the events described above will be final and binding on all parties. To the extent that TI-Trust waives a material condition, TI-Trust may extend the Offer and/or distribute new materials.

***Section 11. Extension of Offer, Termination and Amendment:***

The Offer will expire at 5:00 p.m. eastern time on November 5, 2021, unless extended or earlier terminated. TI-Trust may extend the Offer at any time and may terminate the Offer at any time, in its sole discretion, if any condition identified under the caption "Terms of the Offer—Conditions to the Offer" is not met. Your Letter of Transmittal with the supporting documentation (if applicable) must be received by AST no later than 5:00 p.m. eastern time on the Expiration Date or at any date thereafter to which the Offer is extended by TI-Trust.

TI-Trust reserves the right, in its sole discretion, to extend the period of time during which the Offer is open and thereby delay acceptance of, and payment for, any Shares tendered. Promptly following the Expiration Date (including any extended Expiration Date), TI-Trust will accept and pay for, and thereby purchase, Shares Properly Tendered.

TI-Trust also reserves the right, in its sole discretion, to terminate the Offer subject to applicable law.

In addition, subject to compliance with applicable law, TI-Trust reserves the right to amend the Offer in any respect in its sole discretion. Amendments to the Offer may be effected at any time and from time to time by notification to you. In the case of an extension, TI-Trust intends to notify you no later than 11:00 a.m. eastern time on the next business day after the last previously scheduled or announced Expiration Date. If the amendment is material, TI-Trust will extend the Offer to ensure that at least five (5) business days remain prior to expiration of the Offer and Shareholders that have tendered their Shares pursuant to the Offer prior to the amendment shall have an opportunity to withdraw their Shares. Business day means any day other than a Saturday, Sunday or United States federal holiday. Any period measured in business days includes the first day of such period.

TI-Trust intends to promptly make any notification changing or extending the Offer to Shareholders in a manner reasonably designed to inform you of the change. Except as otherwise required by applicable law, TI-Trust will have no obligation to publish, advertise or otherwise communicate such change or extension other than by notification to you.



**Section 12.        *Withdrawal Rights:***

Once you have tendered your Shares, you may not withdraw your tender unless TI-Trust changes a material term in the Offer.

For a withdrawal to be effective, a written notice of withdrawal must be received by November 5, 2021 (or by the last date of any extension as adopted by TI-Trust) by AST at its address set forth in this Offer, and any notice of withdrawal must specify the name of the tendering Shareholder, and the name of the registered holder of the Shares to be withdrawn, if different from the person who tendered the Shares, and the number of Shares to be withdrawn.

All questions as to the form and validity, including the time of receipt, of any notice of withdrawal will be determined by TI-Trust, in its sole discretion, and such determination will be final and binding on all parties absent a finding to the contrary by a court of competent jurisdiction. TI-Trust reserves the absolute right to waive any defect or irregularity in the notice of withdrawal of Shares by you, whether or not TI-Trust waives similar defects or irregularities in the case of any other Shareholder. TI-Trust will not be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will TI-Trust incur liability for failure to give any such notice.

Withdrawals may not be rescinded, and any Shares validly withdrawn will be deemed not validly tendered for purposes of the Offer. However, validly withdrawn Shares may be re-tendered prior to the expiration of the Offer, by again following the procedures set forth under the caption “Procedure for Tendering Shares.”

**Section 13.        *Timing of Purchase and Payment, Backup U.S. Federal Income Tax Withholding:***

a.        Timing and Payment: Promptly following the expiration of the Offer, TI-Trust will pay for, and thereby purchase, your Properly Tendered Shares prior to the Expiration Date, subject to the terms and conditions of this Offer. When TI-Trust accepts your Shares for payment, you will have entered into a binding agreement regarding the sale and purchase of your Shares on the terms and conditions described in this Offer.

You will not be notified of TI-Trust’s acceptance of your tender. TI-Trust will pay for the Shares purchased by promptly sending payment to you. TI-Trust will not pay interest on the purchase price for the tendered Shares under any circumstances regardless of any delay in making the payment.

b.        Backup U.S. Federal Income Tax Withholding: Payment to you pursuant to the Offer may be subject, under certain circumstances, to backup withholding at a twenty-four percent (24%) rate, unless you provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with applicable requirements of the backup withholding rules. Certain Shareholders (including, among others, all corporations and certain foreign Shareholders) are not subject to these backup withholding rules. Any amounts withheld under the backup withholding rules are not an additional tax and may be refunded or credited against your federal income tax liability, provided the required information is furnished to the Internal Revenue Service. To avoid backup withholding, you must provide the required information by completing the Internal Revenue Service Form W-9 included in the accompanying Letter of Transmittal. Please consult with your own tax advisor regarding your qualification for exemption from backup withholding and the procedure for obtaining any applicable exemption.

c.        Payment to certain non-U.S. Shareholders also may be subject to withholding of U.S. federal income taxes at thirty percent (30%) rate, subject to certain exceptions, unless a reduced rate under an applicable income tax treaty or exemption from withholding applies and is demonstrated on IRS Form W-8. Additionally, a non-U.S. Shareholder may be subject to Foreign Account Tax Compliance Act (“FATCA”) withholding at a thirty percent (30%) rate if such non-U.S. Shareholder fails to properly establish an exemption from FATCA withholding.

**Section 14.        *Source and Amount of Funds:***

Assuming all Shareholders elect to participate in the Offer and tender all of their eligible Shares, and the Shares are properly tendered at the Offer price of not less than \$5.50 per Share and not greater than \$6.50 per Share, the total cost to TI-Trust for purchasing these Shares will be not greater than approximately \$1,625,000 and not less than approximately \$1,375,000. This amount does not include the expenses associated with the Offer, which are

estimated to be \$100,000, consisting of legal fees, printing and mailing costs and miscellaneous expenses.

TI-Trust anticipates it will pay for all Properly Tendered Shares, subject to the limitations described in this Offer, as well as for the costs and expenses of the Offer, with available cash on hand.

Certain officers, employees and managers of TI-Trust may render services in connection with this Offer but will not receive any additional compensation for such services.

**Section 15. *No Dissenters' Rights:***

Whether or not you tender your Shares, TI-Trust does not believe that dissenters' rights are available under Illinois law in connection with the Offer. TI-Trust's board of directors have not granted any Shareholder any voting, appraisal or dissenters' rights in connection with the Offer.

**Section 16. *Interest of Directors and Executive Managers:***

TI-Trust's board of directors and executive managers will not be permitted to tender any of their Shares in the Offer. Accordingly, the equity ownership of TI-Trust's board of directors and executive managers will proportionally increase as a percentage of TI-Trust's outstanding Shares following the conclusion of the Offer. TI-Trust's other employees, including officers who are not executive managers, are permitted to participate in the Offer on the same terms as other Shareholders and may do so in their discretion, subject to TI-Trust's internal compliance requirements.

**Section 17. *Certain Information Concerning TI-Trust:***

a. **Trade Status and Market Price Fluctuations:** TI-Trust stock is considered closely held and no public market or exchange exists for the stock. As a result, there is no regular, active market for the liquidation of shares. The Board does not foresee in the next five (5) years making the stock available on a public market or exchange and the stock will remain closely held. The annual pricing mechanism conducted by the company to establish value is subject to many factors including actual and anticipated operating results, changes in economic and business conditions, changes in monetary and fiscal policies, operating and stock price performance of companies deemed similar to TI-Trust, additions or departures of key personnel, additional or anticipated distribution of common stock, or any number of other factors.

b. **Issuance of Common and Preferred Securities:** TI-Trust's amended and restated Articles of Incorporation authorizes the Board to issue up to six million common shares. Presently there are 3,089,773 shares issued and outstanding. After this offer redemption, the Board may consider establishing an employee stock ownership plan as a retirement benefit for its employees which may cause the number of outstanding shares to increase. The amended and restated Articles of Incorporation also authorizes the Board to issue up to two million shares of preferred stock, with the ability to determine the preferences, limitations and relative rights of such shares without any further vote or action by the common Shareholders. The Board has no immediate plans to issue preferred shares at this time.

c. **Consistency of Revenues:** TI-Trust has two revenue sources: recurring fees from ongoing client administration and one-time fees from transactions. Each fee source has a level of operational, execution, and compliance and regulatory risks, as described below. Each fee source has a different level of consistency, with recurring fees dependent upon the continual effective administration and client re-engagement. One-time fees are dependent upon specific events when specific services are needed. Recurring revenues are generally structured under the trust document or via an engagement letter and subject to termination within three (3) months. One-time revenues are via an engagement letter and generally have a life-span of less than six (6) months.

d. **Employees:** TI-Trust revenues are derived from the personnel efforts of our fiduciary service professionals. Its greatest asset are those employees dedicated to the mission and vision of TI-Trust. Thus, the future success of the company depends in large part on its ability to attract and retain qualified fiduciary service professionals. Demand for such individuals is quite high in this competitive market and the recent pandemic has made it very clear of the need for quality, skilled individuals. Departures of key personnel may cause operational

issues along with client defections due to the close relationships between clients and TI-Trust employees.

e. **Capital Demands:** TI-Trust must balance its demands for its capital amongst current and future opportunities. The business requires sufficient cash to support its existing organization in providing payments to its employees and vendors. State regulators require a minimum level of capital and pledging securities. While capital expenditures are minimal as compared to other industries, we house vast quantities of data that must be securely controlled in our systems. Annually, TI-Trust draws capital to continually update those systems. As explained below, the risks of unknown claims and litigation may have a substantive impact on capital in the defense and resolution of those events. TI-Trust does continue to look both internally and externally for opportunities to grow its business in both organic and acquired growth, either of which could have substantive demands on capital and for which the timing is not necessarily known. Finally, TI-Trust attempts to provide a meaningful dividend to its Shareholders while also deploying its capital to grow the business for enhanced value.

f. **Data Security and Fraudulent Activity:** TI-Trust is subject to fraudulent activity, information security breaches and cybersecurity-related incidents that may be committed against it, its clients, or third parties as part of the company's normal business operations. The misuse of confidential information belonging to a client or to a beneficiary, or misappropriation of assets, may result in financial losses to the company, litigation, or damage to its reputation. TI-Trust's business is highly dependent on the security and efficacy of its infrastructure, systems, and management controls to manage both client assets and client data.

g. **2020 COVID Governmental Programs:** In 2020, TI-Trust participated in both the Payroll Protection Program ("PPP") offered by the U.S. Small Business Administration and the Employee Retention Credit offered by the U.S. Internal Revenue Service. TI-Trust applied for a PPP loan that was approved and received in April 2020. In March 2021, TI-Trust applied and received forgiveness of that PPP loan. Also in 2021, TI-Trust received a tax credit for certain employment taxes. Both of these government programs are reflected in the 2021 financial statements as "other Income". The total COVID Governmental Program assistance amount to \$1.3 million of the \$2.5 million net income posted through June 30, 2021. See Appendix A, Illinois Department of Financial and Professional Regulation, "Consolidated Report of Condition". TI-Trust does not anticipate any additional COVID Governmental Program assistance for the remainder of this year.

h. **Trust Account Administration Complexity Risks:** TI-Trust clientele have complex issues including applying trust document interpretation and establishing value for assets. These issues can be scrutinized by trust beneficiaries and government agencies, where law and regulation can be vague and subject to interpretation. These same laws and regulations may also change at any time. Our specialty services to employee stock ownership plans carry inherent risks and significant potential liabilities, including fines and penalties from regulators.

i. **Possible Claims and Litigation Risks:** Clients or federal or state regulatory agencies could make claims and take legal action pertaining to TI-Trust's performance of its fiduciary responsibilities. Whether those claims and legal actions are founded or unfounded, if they are not resolved in a manner favorable to TI-Trust, it may result in significant financial liability and/or adversely affect market perception and demand of our services. Any financial liability or reputational damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition, all of which could be beyond the capacity limits of our insurance coverage for such events.

j. **Government Regulation Risks:** TI-Trust is subject to extensive state regulation by the Illinois Department of Financial and Professional Regulation as well as United States Federal agencies including the Department of Labor and the Internal Revenue Service. New regulations or legislation could have material impacts on the necessity of certain trust arrangements, leading clients to conclude that they no longer need of fiduciary services. Further, new regulations or legislation could impact the profitability of the company, the offer of new services, or pose additional new costs, including increased compliance costs.

k. **Reputational Risks:** TI-Trust derives a majority of its revenue from fee income. Success in its business is highly dependent upon reputation. The ability to attract and retain clients is highly dependent upon external perceptions of services, trustworthiness, business practices and financial condition. Negative perceptions could detract from engaging both new and existing clients.

1. Pricing Risk: Competitive pricing pressures exist in the fiduciary services businesses as new entrants enter the market and initially compete on the basis of price. TI-Trust provides a high level of engagement and experience to its clientele and charges at or above many of its competition.

**Section 18. Information Regarding Distributions:**

Historically, TI-Trust has not redeemed any of its common stock. In May following the years ending December 31, 2019 and December 31, 2020 TI-Trust declared and paid cash distributions on its common stock. Any future determination to pay dividends will be at the discretion of TI-Trust’s board of directors and will be dependent on then-existing conditions, including TI-Trust’s financial condition, results of operations, capital requirements, contractual restrictions, business prospects, and litigation costs, as well as other factors.

**Section 19. Share Ownership:**

The following table summarizes the TI-Trust ownership interest of all beneficially owned Shares as of August 23, 2021 by all of TI-Trust Shareholders, including ownership interest of employees and other insiders as a group. TI-Trust had 3,089,779 Shares outstanding, represented by 352 Shareholders.

| <b>Category</b>                                  | <b>Number of Shareholders</b> | <b>Shares Beneficially Owned</b> | <b>Percentage Beneficially Owned</b> |
|--------------------------------------------------|-------------------------------|----------------------------------|--------------------------------------|
| Top 20 Shareholders Group                        | 20                            | 2,160,727                        | 69.9%                                |
| Board of Directors and Executive Management      | 18                            | 241,924                          | 7.8%                                 |
| All Shareholders with 1,500 or less Shares Group | 209                           | 108,190                          | 3.5%                                 |

a. Each group stands on its own. It is possible that an individual(s) Shareholder may be represented in more than one group through separate holdings.

b. Shareholder positions are represented by multiple forms of ownership registration, including but not limited to, sole, joint tenant, individual retirement account for the benefit of, etc.

c. To the knowledge of TI-Trust, and unless otherwise noted, the Shareholders in the table have sole voting and investment power with respect to all Shares of ownership interest shown as beneficially owned by them, subject to community property laws where applicable.

TI-Trust has not issued options for its common Shares and does not have any other equities issued.

**Section 20 Summary of Financial Information:**

Before making a decision to tender your Shares, you should read TI-Trust’s financial information including the information in this Offer as Exhibit A. The exhibit is the quarterly financial results and the required filing, “Consolidated Report of Condition” which TI-Trust submits to the Illinois Department of Financial and Professional Regulation, Division of Banking. These quarterly financial results are unaudited financial information. This information should be read in conjunction with our most recent December 31, 2021 audited financial statements and previous “Consolidated Report of Condition” which can be found on TI-Trust’s website, [www.ti-trust.com](http://www.ti-trust.com). As a Shareholder you should have received an audited financial statement along with your proxy information in April 2021. We anticipate the next quarterly “Consolidated Report of Condition” to be filed with the Illinois Department of Financial and Professional Regulation near the end of October, 2021 for the period ended September 30, 2021.

The results of June 30, 2021 are not necessarily indicative of the results of operations to be expected for the future periods, and interim results may not be indicative of results for the remainder of the year.

The following is a summary of the anticipated financial impact to the balance sheet and income statement assuming a tender of 250,000 Shares and redemption at the maximum price of \$6.50 per share.

Summary of Balance Sheet and Tender Offer Impact:

| (in thousands, 000s)     | As Report<br>6/30/2021 | Pro Forma<br>Adjustments | Pro Forma |
|--------------------------|------------------------|--------------------------|-----------|
| Cash                     | \$ 8,340               | (\$ 1,725) [a]           | \$ 6,615  |
| Securities               | \$ 6,853               |                          | \$ 6,853  |
| All other Assets         | \$ 2,875               |                          | \$ 2,875  |
| Total Assets             | \$18,068               |                          | \$16,343  |
| Total Liabilities        | \$ 4,956               |                          | \$ 4,956  |
| Total Equity             | \$13,112               | (\$ 1,725)               | \$11,387  |
| Book Value Per Share [b] | \$ 4.24                |                          | \$ 4.01   |

Summary of Income Statement and Tender Offer Impact:

| (in thousands, 000s)             | As Report<br>6/30/2021 | Pro Forma<br>Adjustments | Pro Forma |
|----------------------------------|------------------------|--------------------------|-----------|
| Income from Fiduciary Activities | \$ 5,957               |                          | \$ 5,957  |
| Interest Income                  | \$ 76                  |                          | \$ 76     |
| Other Income                     | \$ 1,233               |                          | \$ 1,233  |
| Total Operating Income           | \$ 7,266               |                          | \$ 7,266  |
| Total Expenses [a]               | \$ 4,115               | \$ 100                   | \$ 4,215  |
| Total Income Taxes               | \$ 630                 | (\$ 30)                  | \$ 600    |
| Net Income After Taxes           | \$ 2,521               | \$ 70                    | \$ 2,451  |
| Book Value Per Share [b]         | \$ 0.81                |                          | \$ 0.86   |

a. Assumes a tender redemption at the maximum number of 250,000 Shares and the maximum price of \$6.50 per Share and also includes estimated one-time expenses of \$100,000.

b. Prior to the tender offer, 3,089,773 Shares are issued and outstanding. The pro forma calculations set forth above assumes a maximum redemption of 250,000 Shares, lowering the issued and outstanding to 2,839,773 Shares.

**Section 21. Board of Directors and Executive Management Information:**

TI-Trust is led by an executive management team that has demonstrated its capability in successfully providing the highest quality fiduciary services to individual and institutional clients for more than 64 years. With solid core values and decades of proven commitment to high ethical standards, TI-Trust is a leading provider of fiduciary services dedicated to earning and maintaining the trust and confidence of its clients. TI-Trust's team of experienced financial, legal and administrative professionals provide a wide range of highly specialized fiduciary services focused on Employee Benefits, Personal Trust and Farm Services. With more than \$14 billion in assets under management, TI-Trust services clients nationwide, with offices in Illinois, Missouri, Pennsylvania, Arizona and Georgia.

a. Board of Directors:

**Donald K. Gnuse** – Mr. Gnuse is a director of TI-Trust and serves as its Chairman of the Board. He is also the current Chairman of the Board of United State Bank and River Valley Bancshares, Inc., both located in Lewistown, Missouri. Mr. Gnuse has served for more than 65 years in banking, most prominently as President/CEO of FBTC, retiring in 2006. He has served on many community boards throughout his career, and continues to do so today. He is a graduate of Culver Stockton College in Canton, Missouri.

**Brian A. Ippensen** – Mr. Ippensen is a director of TI-Trust and its President. His past work experience includes staff and in-charge for public accounting and audits of banks and retirement plans; cost accounting for edible oil refinery and bean crushing manufacturing; international accountant for foreign export sales; and retail banking operations. He joined TI-Trust in 1997, and was appointed President of the TI-Trust on January 1, 2006. Mr. Ippensen currently serves on the Board of Directors for The ESOP Association, also serving as its Chair of Advisory Committees. He holds a Bachelor of Science degree in Agricultural Economics from the University of Illinois in Champaign, Illinois, and is a Registered Certified Public Accountant.

**Steven E. Siebers** – Mr. Siebers is a director of TI-Trust and an attorney with Scholz, Loos, Palmer, Siebers, and Duesterhaus, LLP. He is also the Secretary of TI-Trust. His areas of practice include estate planning, probate, banking, corporate, real estate, taxation, and general practice. He is a member of the Adams County Bar Association, the Illinois State Bar Association, and the Missouri State Bar Association. Mr. Siebers was admitted to the Illinois bar in 1979, the Missouri Bar in 1980, the U.S. Court of Appeals, Seventh Circuit, the U.S. District Courts for Central Illinois and Eastern Missouri, and the U.S. Tax Court. He graduated from University of Illinois (J. D. magna cum laude, 1979), Order of the Coif; and Western Illinois University in 1976.

**Steven R. Fischer** – Mr. Fischer is a director of TI-Trust, and a former corporate/finance lawyer and businessman, whose practice focused primarily on representing institutional trustees, lenders and investors in Employee Stock Ownership Plan (ESOP) transactions. He was a founding partner in the Philadelphia-based law firm of Steiker, Fischer, Edwards, & Greenapple, a leading ESOP firm, and SES Advisors, Inc., its sister finance and pension administration firm. Prior to his retirement, Mr. Fischer had represented FBTS, TI-Trust's predecessor, in connection with ESOP matters. Since his retirement in 2011, Mr. Fischer has served on numerous corporate boards of directors. A 1976 graduate of Columbia University School of Law, he resides in Fort Myers, Florida.

**Michele R. Foster** – Ms. Foster is a director of TI-Trust. She joined TI-Trust in 2006 and currently serves as Corporate Counsel. Ms. Foster has an extensive risk management and insurance background and is licensed to practice law in the states of Illinois and Texas. While in private practice she represented individuals and corporate clients within the risk management, insurance and construction industries. She is a member of the Adams County Bar Association, the Illinois State Bar Association, and the Texas State Bar Association. Ms. Foster received her law degree from Texas A&M University School of Law and holds a Bachelor of Science degree from the University of Texas at Dallas.

b. Executive Management:

**Brian Ippensen:** President. Mr. Ippensen has served in various roles for TI-Trust organization since 1997, including Internal Audit Manager, and the Vice President of Trust in 1999. In 2006 he assumed the role of President of TI-Trust. Prior to joining TI-Trust, he had 7 years of public and private accounting experience. He is a Registered Certified Public Accountant.

**Julie Kenning:** Chief Financial Officer and Executive Vice President Trust Operations. Ms. Kenning has been with the TI-Trust organization since 1999, serving as Internal Auditor and then accepting the position of Trust Operations Manager and leading the trust operations area since 2001. Prior to joining TI-Trust, she had 4 years of public and private accounting experience. She is a Registered Certified Public Accountant.

**Jay Martin:** Executive Vice President of Investments. Mr. Martin has been with the TI-Trust organization since 2001 as an investment advisor. He has worked for FBTC's investment advisory group, First Investment Services. Prior to joining TI-Trust, he had 3 years in investment advisory and management. He holds the NASD series 65 license, is an Accredited Investment Fiduciary and is a Certified Financial Fiduciary.

**Steve Eckert:** Executive Vice President of Risk Management. Mr. Eckert has been with the TI-Trust organization since 2004, first as Internal Audit Manager and in 2010 as Vice President of Trust Administration. Prior to joining TI-Trust, he had 15 years in public and private accounting experience. He is a Registered Certified Public Accountant.

**Dawn Goestenkers:** Executive Vice President Employee Benefit Services. Ms. Goestenkers joined TI-Trust organization in 2007 as employee benefit staff, then as Employee Benefit Trust Officer and today leads the Employee Benefit group. Prior to joining TI-Trust, she had 5 years in banking. She holds a Master's in Business Administration.

**Michele Foster, Esq.:** Corporate Counsel and Executive Vice President. Ms. Foster joined the TI-Trust organization in 2006 as Corporate Counsel. Prior to joining TI-Trust, she had 15 years practicing law and serving in a corporate capacity. She is a licensed attorney in the states of Texas and Illinois.

**Larry Shepherd:** Executive Vice President of Personal Trust. Mr. Shepherd joined the TI-Trust organization in 2012 as Vice President and today leads the Personal Trust and Farm Services groups. Prior to joining TI-Trust, he had 25 years of banking including lending and trust administration and operations experiences. He holds a CTFA certification.

**Tim Corrigan:** Vice President of Internal Audit. Mr. Corrigan joined the TI-Trust organization in 1998 in the information technology department and later became the Internal Audit Manager in 2010. He has more than 25 years in public and private accounting and technology experience.

***Section 22. Contact for Additional Information:***

If you have any questions regarding the Offer or need additional copies of any of the documents relating to the Offer, please contact:

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, NY 10005  
Banks and Brokers Call: (212) 269-5550  
All Others Call Toll Free: (866) 811-1442  
Email: [ti-trust@dfking.com](mailto:ti-trust@dfking.com)

**EXHIBIT "A"**  
**CONSOLIDATED REPORT OF CONDITION**



**DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION  
DIVISION OF BANKING  
CONSOLIDATED REPORT OF CONDITION**

|                            |                                                                                                    |
|----------------------------|----------------------------------------------------------------------------------------------------|
| <b>Trust Company Name:</b> | <b>TI-TRUST, INC.</b>                                                                              |
| <b>Address:</b>            | <b>2900 N 23RD STREET</b>                                                                          |
| <b>City, State, Zip</b>    | <b>QUINCY, IL 62305</b>                                                                            |
| <b>Credential Number:</b>  | <b>TRS # 60938</b> <span style="float: right;"><i>(5-digit number-should begin with 60)</i></span> |

Include the institution's domestic & foreign subsidiaries, completed for the period ending as of close of business on: 6/30/2021  
and submitted in response to the call of the Illinois Department of Financial and Professional Regulation.

**ALTERATION OF THIS FORM IS PROHIBITED AND WILL BE CONSIDERED NON-COMPLIANCE WITH FILING REQUIREMENTS.**

| <b>ASSETS</b>                                       | <b>In Thousands(000)</b> |
|-----------------------------------------------------|--------------------------|
| 1. Cash and Due from Depository Institution         | 8,340                    |
| 2. U.S. Treasury Securities                         | 6,652                    |
| 3. Obligations of States and Political Subdivisions | 201                      |
| 4. Other Bonds, Notes Receivable, and Debentures    | 0                        |

**Itemize the Notes Receivable amount listed above:**

Inter-Company/Employee/Director: \_\_\_\_\_  
Other (List): \_\_\_\_\_

|                                                                                          |       |
|------------------------------------------------------------------------------------------|-------|
| 5. Corporate Stock                                                                       | 0     |
| 6. Trust Company Premises, Furniture, Fixtures and Other Assets Representing TC Premises | 1,508 |
| 7. Accounts Receivable:                                                                  | 1,010 |

**Itemize Accounts Receivable amount listed above:**

Fee Accounts Receivable 1,048  
Inter-Company Account Receivable \_\_\_\_\_  
Other (List): \_\_\_\_\_

|                                |      |
|--------------------------------|------|
| Potential Uncollectible - Fees | (38) |
| 8. Goodwill                    | 240  |
| 9. Intangibles                 | 0    |
| 10. Other Assets               | 117  |

**Itemize assets that account for 10% or greater of Line 11: (Description & Amount)**

|                     |    |
|---------------------|----|
| Prepaid Expense     | 86 |
| Prepaid Insurance   | 0  |
| Interest Receivable | 31 |

11. **TOTAL ASSETS** 18,068

**LIABILITIES**

|                                          |       |
|------------------------------------------|-------|
| 12. Accounts Payable                     | 875   |
| 13. Taxes Payable                        | 111   |
| 14. Other Liabilities for Borrowed Money | 0     |
| 15. Other Liabilities                    | 3,970 |

**Itemize Liabilities that account for 10% or greater of Line 15) (Description & Amount)**

|                         |       |
|-------------------------|-------|
| Deferred Fee Income     | 3,838 |
| Market Value Adjustment | 53    |
| Deferred Income Tax     | 79    |

16. **TOTAL LIABILITIES** 4,956

**EQUITY CAPITAL**

|                                    |       |
|------------------------------------|-------|
| 17. Preferred Stock                | 0     |
| 18. Common Stock                   | 31    |
| 19. Surplus                        | 3,469 |
| 20. Reserve for Operating Expenses | 0     |
| 21. Retained Earnings (Loss)       | 9,612 |

22. **TOTAL EQUITY CAPITAL** 13,112

23. **TOTAL LIABILITIES AND EQUITY CAPITAL** 18,068

*Check & Balance: should equal zero - otherwise incorrect*

0

Trust Company Name:

|                       |              |
|-----------------------|--------------|
| <b>TI-TRUST, INC.</b> |              |
| <b>TRS #</b>          | <b>60938</b> |

Credential Number:

**INCOME**

**In Thousands(000)**

**1. Income from Fiduciary Activities:**

|                                   |       |
|-----------------------------------|-------|
| A. Estates                        | 10    |
| B. Personal                       | 1,203 |
| C. Investment Advisory            | 165   |
| D. Managed Employee Benefit       | 980   |
| E. Non-managed Employee Benefit   | 3,447 |
| F. Custody                        | 151   |
| G. Corporate Services             | 0     |
| H. Land Trusts                    | 1     |
| I. All Other Fiduciary Activities | 0     |

**2. Interest Income**

|  |    |
|--|----|
|  | 76 |
|--|----|

**3. All Other Income: ( List below)**

|                                                 |      |
|-------------------------------------------------|------|
| Gain (Loss) on Sale of Fixed Assets (Thousands) | (92) |
| Gain (Loss) on Loan Forgiveness                 | 925  |
| Governmental Credits (Fees)                     | 398  |

**4. TOTAL OPERATING INCOME (Sum of Items 1-3)**

|              |
|--------------|
| <b>7,266</b> |
|--------------|

**EXPENSES**

**5. Operating Expenses:**

|                                     |       |
|-------------------------------------|-------|
| A. Salaries                         | 2,532 |
| B. Employee Benefits                | 485   |
| C. Trust Company Occupancy Expense  | 178   |
| D. Furniture and Equipment Expense  | 133   |
| E. Data Services                    | 203   |
| F. Marketing                        | 100   |
| G. Audits/Examinations              | 56    |
| H. Insurance (Fiduciary Activities) | 165   |
| I. All Other                        | 263   |

Itemize amounts > 10% from Line I above.

|                                           |    |
|-------------------------------------------|----|
| Management Consulting Fees (In Thousands) | 31 |
| Directors Fees                            | 77 |
| Supplies                                  | 25 |

**6. TOTAL OPERATING EXPENSES**

|              |
|--------------|
| <b>4,115</b> |
|--------------|

**7. NET OPERATING INCOME/LOSS BEFORE TAXES**

|              |
|--------------|
| <b>3,151</b> |
|--------------|

**8. APPLICABLE INCOME TAXES**

|            |
|------------|
| <b>630</b> |
|------------|

**9. EXTRAORDINARY ITEMS**

|          |
|----------|
| <b>0</b> |
|----------|

**10. NET INCOME (LOSS) AFTER TAXES**

|              |
|--------------|
| <b>2,521</b> |
|--------------|

Explain any change greater than 10% from the average of the previous quarter(s).

IF this is the first quarter of the fiscal year, disregard explanation:

Trust Company Name:

TI-TRUST, INC.

**CHANGES IN EQUITY CAPITAL**

| Thousands of Dollars (Year-to-Date)               | PREFERRED STOCK (PAR) | COMMON STOCK (PAR) | SURPLUS & RESERVE | RETAINED EARNINGS | TOTAL EQUITY CAPITAL (Line Total) |
|---------------------------------------------------|-----------------------|--------------------|-------------------|-------------------|-----------------------------------|
| 1. Balance beginning of fiscal year               |                       | 31                 | 3,469             | 7,369             | 10,869                            |
| 2. Net Income (loss)                              |                       |                    |                   | 2,521             | 2,521                             |
| 3. Capital sale/conversion/acquisition/retirement |                       |                    |                   |                   | 0                                 |
| 4. Changes incident to mergers & absorptions      |                       |                    |                   |                   | 0                                 |
| 5. Cash dividends declared on preferred stock     |                       |                    |                   |                   | 0                                 |
| 6. Cash dividends declared on common stock        |                       |                    |                   | (185)             | (185)                             |
| 7. Stock dividends issued                         |                       |                    |                   |                   | 0                                 |
| 8. Other increases/decreases - ITEMIZE:           |                       |                    |                   | (93)              | (93)                              |
| Securities Market Value Adjustment (93)           |                       |                    |                   |                   |                                   |
|                                                   |                       |                    |                   |                   |                                   |
|                                                   |                       |                    |                   |                   |                                   |
|                                                   |                       |                    |                   |                   |                                   |
| <b>9. Ending Balance</b>                          | 0                     | 31                 | 3,469             | 9,612             | 13,112                            |

Check & Balance: should equal zero - otherwise incorrect

0

NOTE: Additional Page(s) may be attached to this report if an item requires further explanation or justification.

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**CERTIFICATION SECTION**

Person to whom Supervisory Staff should direct questions concerning this report.

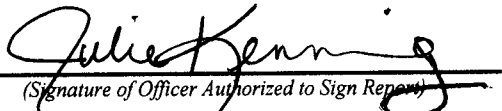
I, JULIE KENNING

of TI-TRUST, INC.

(PRINT Name and Title of Officer Authorized to Sign Report)

(Name of Trust Company)

do certify that the information contained in these statements are accurate to the best of my knowledge and belief. I understand that submission of false information with the intention to deceive the Secretary or his Administrative Officers is a felony.



(Signature of Officer Authorized to Sign Report)

CFO & EVP OF OPERATIONS

Title

JULIE KENNING

Name of Officer Above

217-221-8628

Telephone Number (Extension)

217-228-8039

Fax Number

julie.kenning@ti-trust.com

E-mail Address