



MANUFACTURERS OF PORTLAND CEMENTS

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November 16, 2020

To Our Stockholders:

The Board of Directors of The Monarch Cement Company (the "*Company*") has authorized a modified "Dutch auction" tender offer (the "*Offer*") to repurchase shares of its capital stock and Class B capital stock (collectively, "*Stock*") up to an aggregate purchase price of \$5,000,000. The Offer begins November 16, 2020, and will expire at 5:00 p.m., Central Daylight Time, on December 18, 2020, unless extended or earlier terminated by the Company. Under the terms of the Offer, stockholders will have the opportunity to tender some or all of their shares of Stock, regardless of class, at a price within the range of \$60.00 to \$70.00 per share. Based on the number of shares tendered and the prices specified by the tendering stockholders, the Company will determine the lowest per share price within the range of tenders that will enable the Company to buy \$5 million in shares, or such lower amount depending on the number of shares that are properly tendered and not properly withdrawn. All shares accepted for payment will be paid the same price, regardless of whether a stockholder tendered such shares at a lower price within the range.

Enclosed for your consideration are the Offer to Purchase and the related Letter of Transmittal for your use in the event you are interested in participating in the Offer. Those materials provide the information needed to make a valid tender of your shares to the Company.

As more particularly described in the enclosed materials, shares of the Company's Stock may be tendered pursuant to (i) auction tenders at prices specified by the tendering stockholders of not less than \$60.00 nor greater than \$70.00 per share ("*Auction Tenders*") or (ii) purchase price tenders described below ("*Purchase Price Tenders*"), in either case upon the terms and subject to the conditions described in the enclosed materials. After the December 18, 2020 expiration time, the Company will determine a single price per share (the "*Purchase Price*") for the repurchase of shares in the Offer (which price will be not less than \$60.00 and not more than \$70.00 per share), taking into account the number of shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering shares pursuant to Auction Tenders. Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price. The Purchase Price will be the lowest price per share of not less than \$60.00 and not more than \$70.00 per share, at which shares have been tendered or have been deemed to be tendered in the Offer, that will enable the Company to purchase the maximum number of shares validly tendered in the

To Our Stockholders
November 16, 2020
Page 2

Offer having an aggregate purchase price not exceeding \$5 million. All shares purchased pursuant to the Offer will be purchased at the same Purchase Price, regardless of class and regardless of whether the stockholder tendered at a lower price. Only shares validly tendered at prices at or below the Purchase Price may be purchased. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the December 18, 2020 expiration time.

If the number of shares validly tendered at or below the Purchase Price would result in an aggregate purchase price of more than \$5 million, the Company will purchase shares: (i) first, from all holders of "odd lots" of less than 100 shares who validly tender all of their shares at or below the Purchase Price; and (ii) second, from all other stockholders who validly tender shares at or below the Purchase Price, on a pro rata basis with appropriate adjustments to avoid the purchase of fractional shares, until the Company has purchased shares resulting in an aggregate purchase price of \$5 million. Because of the "odd lot" priority and proration provisions described above, the Company may not purchase all of the shares that you tender even if you tender them at or below the Purchase Price.

While our Board of Directors has approved making this tender offer, neither the Company nor its Board of Directors makes any recommendation to any stockholder as to whether to tender or refrain from tendering any shares or as to the price or prices at which stockholders may choose to tender their shares. The Company has not authorized any person to make any such recommendation.

Stockholders must decide whether to tender their shares and, if so, how many shares to tender and at what price or prices. In doing so, stockholders should carefully evaluate all of the information in the offer to purchase, the related letter of transmittal, and the other tender offer materials before making any decision with respect to the tender offer, and should consult their own financial and tax advisors.

If you wish to tender all or any portion of your shares pursuant to the Offer, please note that you must do so prior to the expiration of the Offer at 5:00 p.m., Central Daylight Time, on December 18, 2020, unless the Offer is extended or terminated.

Stockholders who have questions may contact the undersigned at The Monarch Cement Company, 449 1200 Street, Humboldt, KS 66748, (620) 473-2222.

Sincerely,

/s/ WALTER H. WULF, JR.
Chairman of the Board

THE MONARCH CEMENT COMPANY

OFFER TO PURCHASE

Shares of Its Capital Stock and Class B Capital Stock
for an Aggregate Purchase Price of Not More Than \$5 Million
at a Per Share Purchase Price Not Less Than \$60.00 Per Share
Nor Greater Than \$70.00 Per Share

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., CENTRAL TIME, ON DECEMBER 18, 2020, UNLESS THE OFFER IS EXTENDED OR TERMINATED (SUCH TIME, AS IT MAY BE EXTENDED, THE "EXPIRATION TIME").

The Monarch Cement Company, a Kansas corporation (the "*Company*," "*Monarch*," "*we*," "*our*" or "*us*"), is offering to purchase for cash shares of its capital stock and Class B capital stock (collectively, "*Stock*") pursuant to (i) auction tenders at prices specified by the tendering stockholders of not less than \$60.00 nor greater than \$70.00 per share ("*Auction Tenders*"), or (ii) purchase price tenders described below ("*Purchase Price Tenders*"), in either case upon the terms and subject to the conditions described in this Offer to Purchase and in the related letter of transmittal (the "*Letter of Transmittal*," and together with this Offer to Purchase, the "*Offer*"). We are offering to purchase shares having an aggregate purchase price of no more than \$5 million. Stockholders who wish to tender shares without specifying a price at which such shares may be purchased by the Company should make a Purchase Price Tender. Under a Purchase Price Tender, shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price (as defined below) determined as provided herein. Stockholders who validly tender shares without specifying whether they are making an Auction Tender or a Purchase Price Tender will be deemed to have made a Purchase Price Tender.

After the Expiration Time of the Offer, we will, upon the terms and subject to the conditions of the Offer, determine a single price per share (the "*Purchase Price*"), which will be not less than \$60.00 and not more than \$70.00 per share, that we will pay for shares of our Stock (regardless of class) validly tendered in the Offer and not validly withdrawn. The Purchase Price will be the lowest price per share of not less than \$60.00 and not more than \$70.00 per share, at which shares have been tendered or have been deemed to be tendered in the Offer, that will enable the Company to purchase the maximum number of shares validly tendered in the Offer and not validly withdrawn having an aggregate purchase price not exceeding \$5 million. Only shares validly tendered at prices at or below the Purchase Price, and not validly withdrawn, will be eligible for purchase in the Offer. Shares validly tendered pursuant to an Auction Tender at a price specified in the Auction Tender that is greater than the Purchase Price will not be purchased. Upon the terms and subject to the conditions of the Offer, if shares having an aggregate purchase price of less than \$5 million are validly tendered and not validly withdrawn, we will buy all shares validly tendered and not validly withdrawn. Because of the proration and "odd lot" priority provisions described in this Offer to Purchase, all of the shares tendered at or below the Purchase Price may not be purchased if more than the number of shares having an aggregate purchase price of \$5 million are validly tendered at or below the Purchase Price and not validly withdrawn.

Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$60.00 per share, the minimum Purchase Price under the Offer, the approximate number of shares that will be purchased under the Offer is 83,333. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$70.00 per share, the maximum Purchase Price under the Offer, the approximate number of shares that will be purchased under the Offer is 71,428.

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

Our Stock is not listed on a national securities exchange, but our capital stock trades as Other-OTC under the symbol "MCEM." As of November 6, 2020, the last closing price of our capital stock on Other-OTC (as reported by Yahoo.com) was \$57.00 per share; our Class B capital stock does not trade in any public market. **You are urged to obtain current market quotations for our capital stock before deciding whether, and at what price or prices, to tender your shares pursuant to the Offer.** See Section 7.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.

Offer to Purchase dated November 16, 2020

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NEITHER THE COMPANY NOR ITS BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

Our directors and executive officers have advised us that they do not intend to tender their shares in the Offer. In addition, we are not aware of any of our affiliates that intend to tender any shares in the Offer. See Section 10.

If you want to tender all or any portion of your shares, you must do one of the following prior to the Expiration Time:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you; or
- if you hold certificates in your own name, complete and sign a Letter of Transmittal and IRS Form W-9 (or IRS Form W-8 if you are a Non-United States Holder, as defined in Section 13) according to their instructions and deliver them, together with the certificates for your shares and any other documents required by the Letter of Transmittal, to us at the address shown on the Letter of Transmittal.

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline 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.

Under a Purchase Price Tender, shares will be purchased upon the terms and subject to the conditions of the Offer, at the Purchase Price. If you wish to maximize the chance that your shares will be purchased by us, you should validly tender your shares pursuant to a Purchase Price Tender. Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price. Accordingly, Purchase Price Tenders could result in the Purchase Price being lower and could result in your shares being purchased at the minimum price in the Offer.

We are not making the Offer to, and will not accept any tendered shares from, stockholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make the Offer to stockholders in any such jurisdiction.

Questions and requests for assistance may be directed to Walter Wulf at The Monarch Cement Company, 449 1200 Street, Humboldt, KS 66748, (620) 473-2222. You may request additional copies of our 2019 annual report, our 2020 third quarter report, this Offer to Purchase, the Letter of Transmittal and other Offer documents from us at that telephone number or address. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the Offer or as to the price or prices at which you may choose to tender your shares in the Offer. You should rely only on the information contained in this Offer to Purchase and in the Letter of Transmittal or in documents to which we have referred you. Our delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained in this Offer to Purchase is correct as of any time other than the date of this Offer to Purchase or that there have been no changes in the information included or incorporated by reference herein or in the affairs of Monarch or any of its subsidiaries or affiliates since the date hereof. We have not authorized anyone to provide you with information or to make any representation in connection with the Offer other than the information and representations contained in this Offer to Purchase or in the Letter of Transmittal. If anyone makes any recommendation or gives any information or representation, you must not rely upon that recommendation, information or representation as having been authorized by us.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY TERM SHEET	1
RISK FACTORS	5
FORWARD-LOOKING STATEMENTS	7
INTRODUCTION	7
THE OFFER	8
1. Number of Shares; Purchase Price; Proration.....	8
2. Purpose of the Offer; Certain Effects of the Offer.....	10
3. Procedures for Tendering Shares	11
4. Withdrawal Rights	14
5. Purchase of Shares and Payment of Purchase Price.....	14
6. Conditions of the Offer	15
7. Price Range of Shares; Dividends.....	16
8. Source of Funds	17
9. Certain Information Concerning the Company.....	17
10. Transactions and Arrangements Concerning the Shares	17
11. Effects of the Offer on the Market for Shares	18
12. Legal Matters; Regulatory Approvals	18
13. Material U.S. Federal Income Tax Consequences.....	18
14. Extension of the Offer; Termination; Amendment.....	22
15. Fees and Expenses.....	22
16. Miscellaneous	23
ATTACHMENTS:	
Letter of Transmittal	
IRS Form W-9	

SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. This summary term sheet highlights certain material information in this Offer to Purchase, but you should realize that it does not describe all of the details of the Offer to the same extent described elsewhere in this Offer to Purchase. To understand the Offer fully and for a more complete description of the terms of the Offer, you should read carefully this entire Offer to Purchase, the Letter of Transmittal and the other documents relating to the Offer. We have included references to the sections of this Offer to Purchase where you will find a more complete description of the topics in this summary.

Who is offering to purchase the shares of Stock?

The issuer of the shares, The Monarch Cement Company, is offering to purchase the shares.

What will be the Purchase Price for the shares and what will be the form of payment?

We are conducting an offer by means of a procedure commonly called a "modified Dutch auction." Upon the terms and subject to the conditions of the Offer, we are offering to purchase for cash shares of our Stock pursuant to (i) Auction Tenders at prices specified by the tendering stockholders of not less than \$60.00 nor greater than \$70.00 per share, or (ii) Purchase Price Tenders. We are offering to purchase shares having an aggregate purchase price of no more than \$5 million. Promptly after 5:00 p.m., Central Time, on December 18, 2020, unless the Offer is extended or terminated (such time, as it may be extended, the "*Expiration Time*"), we will, upon the terms and subject to the conditions of the Offer, determine a single price per share, the Purchase Price, which will be not less than \$60.00 and not more than \$70.00 per share, that we will pay for shares of Stock (regardless of class) validly tendered in the Offer and not validly withdrawn, taking into account the number of shares tendered pursuant to Auction Tenders and pursuant to Purchase Price Tenders and the prices specified by stockholders tendering shares pursuant to Auction Tenders. Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price.

The Purchase Price will be the lowest price per share of not less than \$60.00 and not more than \$70.00 per share at which shares have been tendered or have been deemed to be tendered in the Offer that will enable us to purchase the maximum number of shares validly tendered and not validly withdrawn in the Offer having an aggregate purchase price not exceeding \$5 million. After we have determined the Purchase Price and, upon the terms and subject to the conditions of the Offer (including the proration provisions), we will pay the Purchase Price in cash, subject to applicable withholding and without interest, to all stockholders whose shares are accepted for payment pursuant to the Offer. See Section 1.

How many shares of its Stock is Monarch offering to purchase?

We are offering to purchase, at the Purchase Price, shares of Stock (regardless of class) validly tendered in the Offer and not validly withdrawn, up to a maximum aggregate purchase price of \$5 million. Because the Purchase Price will only be determined after the Expiration Time, the number of shares that will be purchased will not be known until after that time. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$60.00 per share, the minimum Purchase Price under the Offer, the approximate number of shares of Stock that will be purchased under the Offer is 83,333 (representing approximately 3.13% of our outstanding shares of capital stock and approximately 2.16% of our outstanding shares of Stock (of both classes) as of November 6, 2020). Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$70.00 per share, the maximum Purchase Price under the Offer, the approximate number of shares of Stock that will be purchased under the Offer is 71,428 (representing approximately 2.68% of our outstanding shares of capital stock and approximately 1.85% of our outstanding shares of Stock (of both classes) as of November 6, 2020).

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

How will Monarch pay for the shares?

We intend to fund any purchase of shares pursuant to the Offer, including the related fees and expenses, from cash on hand. See Section 8.

How long do I have to tender my shares?

You may tender your shares until the Offer expires at the Expiration Time, which will be at 5:00 p.m., Central Time, on December 18, 2020 (unless we extend or terminate the Offer).

If a broker, dealer, commercial bank, trust company or other nominee holds your shares, it is likely that they will have an earlier deadline for you to act to instruct them to accept the Offer on your behalf. We urge you to immediately contact your broker, dealer, commercial bank, trust company or other nominee to find out their deadline. See Sections 1 and 3.

Can the Offer be extended, amended or terminated and, if so, under what circumstances?

We can extend the Expiration Time for the Offer in our sole discretion at any time, subject to applicable laws. We may, however, decide not to extend the Expiration Time for the Offer. If we were to extend the Expiration Time for the Offer, we cannot indicate, at this time, the length of any extension that we may provide. If we extend the Expiration Time for the Offer, we will delay the acceptance of any shares that have been tendered, and any shares that have been previously tendered may be withdrawn up until the Expiration Time, as so extended. We can also amend or terminate the Offer, subject to applicable law. See Sections 4, 6 and 14.

How will I be notified if the Offer is extended, amended or terminated?

If the Expiration Time for the Offer is extended, we will notify you of the extension and the new Expiration Time at the address for you appearing in our records. We also will notify you of any amendment to or termination of the Offer at the address for you appearing in our records. See Section 14.

What is the purpose of the Offer?

Our Board of Directors believes that the Offer represents a prudent use of our financial resources in light of our business profile, assets, current indebtedness and debt capacity. At September 30, 2020, we had net working capital of approximately \$75.0 million and no long-term debt. The primary purpose of the Offer is to return cash to our stockholders by providing them with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. In addition, if we complete the Offer, stockholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations.

Assuming the completion of the Offer, we believe that our anticipated cash flow from operations, our access to credit and capital markets and our financial condition will be adequate for our needs. However, actual results may differ significantly from our expectations. See "Forward-Looking Statements." In considering the Offer, our management and our Board of Directors took into account the expected financial impact of the Offer on our liquidity.

After the completion or termination of the Offer, we may purchase additional shares in the open market subject to market conditions. We may also purchase shares in private transactions, exchange offers, tender offers or otherwise. Any of these purchases may be on the same terms as, or on terms more or less favorable to stockholders than, the terms of the Offer. However, applicable rules under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") generally prohibits us and our affiliates from purchasing any shares, other than through the Offer, until at least 10 business days after the expiration or termination of the Offer. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of the Offer, our business and financial position and general economic and market conditions. See Section 2.

What are the conditions to the Offer?

Our obligation to accept and purchase and pay for shares tendered in the Offer depends upon a number of conditions that must be satisfied or waived prior to the Expiration Time. See Section 6.

How will the Offer affect the number of our shares outstanding and the number of record holders?

As of November 6, 2020, we had 3,860,789 issued and outstanding shares of Stock (of which 2,665,931 shares were capital stock and 1,194,858 shares were Class B capital stock). At the minimum Purchase Price of \$60.00 per share, we would purchase approximately 83,333 shares of Stock if the Offer is fully subscribed, which would represent approximately 3.13% of our outstanding shares of capital stock (approximately 2.16% of our outstanding shares of Stock of both classes combined) as of November 6, 2020. At the maximum Purchase Price of \$70.00 per share, we would purchase approximately 71,428 shares of Stock if the Offer is fully subscribed, which would represent approximately 2.68% of our outstanding shares of capital stock (approximately 1.85% of our outstanding shares of Stock of both classes combined) as of November 6, 2020. If the Offer is fully subscribed at the minimum Purchase Price, we would have approximately 3,777,456 shares of Stock outstanding immediately following the purchase of shares tendered in the Offer. If the Offer is fully subscribed at the maximum Purchase Price, we would have approximately 3,789,361 shares of Stock outstanding immediately following the purchase of shares tendered in the Offer. The actual number of shares of Stock outstanding immediately following completion of the Offer will depend on the number of shares tendered and purchased in the Offer.

as well as the Purchase Price for such shares, and the number of shares of Stock of each class outstanding immediately following completion of the Offer also will depend on the number of shares of each class tendered and purchased in the Offer. See Section 2.

If any of our stockholders who hold shares in their own name as holders of record tender their Shares in full and that tender is accepted in full, then the number of our record holders would be reduced. See Section 2.

Stockholders who do not have their shares purchased in the Offer will realize a proportionate increase in their relative ownership interest in the Company following the purchase of shares pursuant to the Offer. See Section 2.

How do I tender my shares?

If you want to tender all or any portion of your shares, you must do one of the following prior to the Expiration Time:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you; or
- if you hold certificates in your own name, complete and sign a Letter of Transmittal and IRS Form W-9 (or IRS Form W-8 if you are a Non-United States Holder, as defined in Section 13) according to their instructions and deliver them, together with the certificates for your shares and any other documents required by the Letter of Transmittal, to us at the address shown on the Letter of Transmittal.

In accordance with Instructions 4 and 5 to the Letter of Transmittal, each stockholder who desires to tender shares in the Offer must either check (1) one, and only one, of the boxes in the section of the Letter of Transmittal captioned "Auction Price Tender: Price (in Dollars) per Share at Which Shares are Being Tendered," indicating the price (in increments of \$1.00) at which shares are being tendered, or (2) the box in the section of the Letter of Transmittal captioned "Purchase Price Tender," in which case you will be deemed to have tendered your shares at the minimum price of \$60.00 per share (YOU SHOULD UNDERSTAND THAT THIS LATTER ELECTION MAY CAUSE THE PURCHASE PRICE TO BE LOWER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$60.00 PER SHARE).

If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Purchase Price Tender." Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price. Accordingly, Purchase Price Tenders could result in the Purchase Price being lower and could result in your shares being purchased at the minimum price in the Offer.

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline 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.

You may contact us or your broker, dealer, commercial bank, trust company or other nominee for assistance. Our contact information appears on the Letter of Transmittal. See Section 3 and the instructions to the Letter of Transmittal.

May I tender only a portion of the shares that I hold?

Yes. You do not have to tender all of the Shares that you own to participate in the Offer.

In what order will Monarch purchase the tendered shares?

If the terms and conditions of the Offer have been satisfied or waived and shares having an aggregate purchase price of less than \$5 million are validly tendered and not validly withdrawn, we will buy all shares validly tendered and not validly withdrawn.

If the terms and conditions of the Offer have been satisfied or waived and shares having an aggregate purchase price in excess of \$5 million have been validly tendered and not validly withdrawn prior to the Expiration Time of the Offer, we will purchase shares in the following order of priority:

- *First*, all shares of Stock (regardless of class) owned in "odd lots" (less than 100 shares) that have been validly tendered at or below the Purchase Price (and not validly withdrawn prior to the Expiration Time); and

- *Second*, all other tendered shares of Stock (regardless of class) validly tendered at or below the Purchase Price (and not validly withdrawn prior to the Expiration Time), on a pro rata basis if necessary, with appropriate adjustments to avoid the purchase of fractional shares, until we have purchased shares resulting in an aggregate purchase price of up to \$5 million.

See Section 1.

If I own fewer than 100 shares and I tender all of my shares, will I be subject to proration?

If you own, beneficially or of record, fewer than 100 shares in the aggregate, you validly tender all of these shares at or below the Purchase Price prior to the Expiration Time (and do not validly withdraw such shares) and you complete the section entitled "Odd Lots" in the Letter of Transmittal, if applicable, and all conditions to the Offer are satisfied or waived, we will purchase all of your shares without subjecting them to proration. See Section 1.

Once I have tendered shares in the Offer, can I withdraw my tender?

Yes. You may withdraw your tendered shares at any time prior to the Expiration Time. See Section 4.

How do I withdraw shares previously tendered?

To validly withdraw tendered shares, you must deliver, on a timely basis, a written notice of your withdrawal to us while you still have the right to withdraw the shares. Your notice of withdrawal must specify your name, the number of shares to be withdrawn, the price at which such shares were tendered, if an Auction Tender is being withdrawn, and the name of the registered holder of such shares. Some additional requirements apply if the certificates for shares to be withdrawn have been delivered to us. If you have tendered your shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct that person to arrange for the withdrawal of your shares. You should note that your broker, dealer, commercial bank, trust company or other nominee through which you have tendered shares, will likely have an earlier deadline than the Expiration Time for you to act to instruct them to withdraw a tender pursuant the Offer. See Section 4.

Has Monarch or its Board of Directors adopted a position on the Offer?

While our Board of Directors has authorized the Offer, it has not, nor has the Company, made, and neither is making, any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the price or prices at which you may choose to tender your shares. You must make your own decisions as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. In doing so, you should read carefully the information in, or incorporated by reference in, this Offer to Purchase and in the Letter of Transmittal, including the purposes and effects of the Offer. You are urged to discuss your decisions with your own tax advisor, financial advisor and/or broker. See Section 2.

Do Monarch's directors or executive officers or affiliates intend to tender their shares in the Offer?

Our directors and executive officers have advised us that they do not intend to tender their shares in the Offer. In addition, we are not aware of any of our affiliates that intend to tender any shares in the Offer. See Section 10.

What will happen if I do not tender my shares?

Stockholders who do not participate in the Offer will retain their shares and, if the Company completes the Offer, their relative ownership interest in the Company will automatically increase. See Section 2.

When and how will Monarch pay for my tendered shares that are accepted for purchase pursuant to the Offer?

We will pay the Purchase Price in cash, less any applicable withholding taxes and without interest, for the shares we purchase promptly after the expiration of the Offer and the acceptance of the shares for payment. We expect that it may take up to three business days after the Expiration Time to calculate the final proration factor, if any, and begin paying for tendered shares. We will pay for all of your shares accepted for payment pursuant to the Offer by check. See Section 5.

If I tender my shares, how will that affect my ability to receive the December 14, 2020 dividend?

The Board of Directors has declared a regular cash dividend of \$0.50 per share of the Company's capital stock, payable on December 14, 2020 to holders of record of such capital stock at the close of business on November 16, 2020. If you are the holder of

record of shares of the Company's capital stock at the close of business on November 16, 2020, you will be entitled to receive the dividend for each share then held by you regardless of whether you tender shares in the Offer and regardless of whether any tender made by you occurs before or after that date. See Section 7.

What is the recent market price for the Company's Stock?

On November 6, 2020, the last closing price of our capital stock on Other-OTC (as reported by Yahoo.com) was \$57.00 per share; our Class B capital stock does not trade in any public market. **You are urged to obtain current market quotations for our Stock before deciding whether, and at what price or prices, to tender your shares pursuant to the Offer.** See Section 7.

Will I have to pay brokerage fees and commissions if I tender my shares?

If you are a holder of record of your shares and you tender your shares directly to us, you will not incur any brokerage fees or commissions. If you hold your shares through a broker, dealer, commercial bank, trust company or other nominee and that person tenders shares on your behalf, that person may charge you a fee or commission for doing so. We urge you to consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any such charges will apply. See Section 3.

What is the accounting treatment of the Offer?

The accounting for the purchase of shares pursuant to the Offer will result in a reduction of our stockholders' equity in an amount equal to the aggregate purchase price of the shares we purchase and a corresponding reduction in cash and cash equivalents. See Section 2.

What are the U.S. federal income tax consequences if I tender my shares?

Generally, you will be subject to U.S. federal income taxation when you receive cash from us in exchange for the shares you tender. Your receipt of cash for your tendered shares will generally be treated as either (1) consideration received in a sale or exchange or (2) a distribution with respect to such shares. See Section 13.

EACH STOCKHOLDER IS ADVISED TO CONSULT ITS OWN TAX ADVISOR TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO IT OF THE OFFER.

Whom do I contact if I have questions about the Offer?

For additional information or assistance, you may contact Walter Wulf at The Monarch Cement Company, 449 1200 Street, Humboldt, KS 66748, (620) 473-2222. You may request additional copies of our 2019 annual report, our 2020 third quarter report, this Offer to Purchase, the Letter of Transmittal and other Offer documents from us at that telephone number or address. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

RISK FACTORS

This Offer to Purchase and the documents incorporated by reference herein should be read together with the risk factors set forth below. They describe various risks and uncertainties to which we are or may become subject, many of which are outside of our control. These and other risks and uncertainties have affected, or may in the future affect, our business, operations, financial condition and results of operations in a material and adverse manner.

There is little current public trading of shares of our Stock. Although prices for shares of our capital stock are quoted on Other-OTC, there is little current trading and no assurance can be given that more active public trading will develop or, if developed, will be sustained. Moreover, the purchase of shares pursuant to the Offer would result in fewer shares of our capital stock available for trading. Our Class B capital stock is not quoted on Other-OTC or any other market. The market price of our Stock may be volatile because there will likely continue to be a thin trading market for our shares, which causes trades of small blocks of stock to have a significant impact on the stock price.

Our Class B Capital Stock provides for supervoting rights that will limit the ability of the holders of our Stock to influence corporate matters, but such voting rights will not be reflected in the price paid for any shares in the Offer. Although our capital stock and Class B capital stock are identical in respect of most shareholder rights, including those relating to dividends and payments upon liquidation, our Class B capital stock provides for voting rights that are 10 times the voting rights of our capital stock. Shares of our Class B capital stock are convertible into a like number of shares of capital stock at any time (and, under some circumstances, may be so converted without the stockholder approving or otherwise taking any action to effect such conversion). In

recognition of the enhanced Class B capital stock voting rights, our Class B capital stockholders exercise significant influence over the outcome of any matter submitted to stockholders for approval and could also prevent a change in control. The interests of our Class B capital stockholders therefore may differ from the interests of our capital stockholders. The enhanced voting rights of the Class B capital stock may have a value, but such value will not be reflected in the amount paid for any Class B capital stock that is validly tendered, and not validly withdrawn, in the Offer. No stockholder is required to participate in the Offer. If you hold Class B capital stock and believe that your enhanced voting rights have a value that is not reflected in the price being available to you in the Offer, you may wish not to participate in the Offer.

We depend on construction activity levels, which tend to be cyclical. Our operating results depend on residential, commercial and governmental construction activity and spending levels which tend to be cyclical. Construction activity and spending levels are influenced by interest rates, inflation, environmental laws and regulations, employment levels and the availability of funds for construction projects. Economic downturns may lead to recessions in the construction industry, either in individual markets or nationally. These cyclical downturns in construction activity in our market area, which we cannot control, significantly affect our business.

Construction is dependent upon the overall U.S. economy which remains weak and could weaken further. Commercial and residential construction levels generally move with economic cycles; when the economy is strong, construction levels rise and when the economy is weak, construction levels fall. The overall U.S. economy has been hurt by changes in the financial services sector and the resulting constraints on credit availability. The overall weakness in the economy and the uncertainty in the credit markets could cause commercial and residential construction to remain at low levels or weaken further, and thereby continue to adversely affect our sales volumes and earnings. A recessionary economy can also increase the likelihood we will not be able to collect on our accounts receivable from our customers.

A decline in public sector construction and reductions in governmental funding could adversely affect our operations and results. If spending on publicly funded construction is reduced significantly as a result of a loss of federal funding or a significant reduction in state or federal budgets, our earnings could be negatively affected.

Competition in our industry could adversely affect our results of operations. All of the markets we operate in are highly competitive. We compete with several other domestic suppliers of cement, concrete and concrete products, as well as with importers of foreign cement. Many factors affect the competitive environments we face in our markets. Among others, they include the number of competitors in the market, the pricing policies of those competitors, the financial strength of those competitors, the total production capacity serving the market, the barriers that potential competitors face to enter the market, the proximity of natural resources to the market, as well as economic conditions and product demand within the market. Such factors come together in our market in varying ways, sometimes in ways that adversely impact demand for and pricing of our products.

Increased energy and fuel costs may have a material adverse effect on our results. Our operations consume significant amounts of energy. The price and availability of energy are subject to political, economic and market factors that are generally outside our control. Energy and fuel costs have affected, and may continue to affect, our financial condition, results of operations and liquidity.

Adverse weather lessens demand for our products, which is seasonal in our market. Construction activity, and thus demand for our products, decreases substantially during periods of cold weather, when it snows or when heavy or sustained rains fall. Consequently, demand for our products is significantly lower during the winter, when winter weather significantly curtails construction activity. Our operations are seasonal, with sales generally peaking during the second and third quarters because of normally better weather conditions. However, high levels of rainfall can adversely impact our operations during these periods as well. Such adverse weather conditions can materially and adversely affect our results of operations and profitability if they occur with unusual intensity, during abnormal periods, or last longer than usual, especially during peak construction periods.

Changes in legal requirements and governmental policies concerning zoning, land use, environmental and other areas of the law impact our business. Our operations are affected by numerous federal, state and local laws and regulations related to zoning, land use and environmental matters. Despite our compliance efforts, there is the inherent risk of liability in the operation of our business, especially from an environmental standpoint. These potential liabilities could have an adverse impact on our operations and profitability. Our operations require numerous governmental approvals and permits, which often require us to make significant capital and maintenance expenditures to comply with zoning and environmental laws and regulations. Stricter laws and regulations, or more stringent interpretations of existing laws or regulations, may impose new liabilities on us, reduce operating hours, require additional investment by us in pollution control equipment, or impede the expansion of our facilities.

Climate change and climate change legislation or regulations may adversely impact our business. In the past a number of governmental bodies have introduced or contemplated legislative and regulatory changes in response to the potential impacts of climate change that, if enacted, would have limited and reduced greenhouse gas emissions through a "cap and trade" system of allowances and credits, among other provisions. In addition, the EPA has required large emitters of greenhouse gases to collect and report data with respect to their greenhouse gas emissions and has proposed a permitting process for large emitters. Any such "cap-and-trade" system or other limitations imposed on the emission of "greenhouse gases" could have a material adverse effect on our financial position, results of operation or cash flows.

The spread of a new strain of coronavirus (also known as COVID-19) may adversely affect our business operations. In December 2019, a new strain of coronavirus (also known as "COVID-19") originated in Wuhan, China, and quickly spread to infect people throughout the world, causing severe illness and death. Various measures may be taken by countries, including the United States, both on a macro country-wide level and a local level, to combat the virus and its spread, which measures have included quarantines and bans on public events. The continued spread of COVID-19 may adversely affect our results of operations and business generally, depending on the extent of its spread, the rate of infection, the severity of illness and probability of lethality, the relative effect on various portions of the population (such as the aged), the measures taken to combat the virus and their effectiveness, the timing and availability of any vaccine for the virus, and other factors. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 or of pandemics generally, and, as a result, there is considerable uncertainty of its potential effect on our business and results of operations.

Litigation could affect our profitability. The nature of our business exposes us to various litigation matters including product liability claims, employment, health and safety matters, environmental matters, regulatory and administrative proceedings, governmental investigations, tort claims and contract disputes. We contest these matters vigorously and file insurance claims where appropriate. However, litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome of existing or future litigation.

Volatility and disruption of financial markets could affect us. Difficult economic conditions can cause a contraction in the availability, and increase the cost, of credit in the marketplace. This could potentially reduce the sources of liquidity for us and our customers.

FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the documents incorporated by reference herein may contain forward-looking statements that do not directly or exclusively relate to historical facts. Forward-looking information is based on projections and estimates, not historical information. You can identify our forward-looking statements by the use of words like "may," "may not," "believes," "do not believe," "plans," "estimates," "intends," "expects," "do not expect," "anticipates," "do not anticipate," "should," "likely" and other similar expressions that convey the uncertainty of future events or outcomes.

When considering these forward-looking statements, you should keep in mind the cautionary statements contained in this Offer to Purchase and the documents we incorporate by reference.

Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our forward-looking statements are not guarantees of future performance, and we caution you not to rely unduly on them. We have based many of these forward-looking statements on expectations and assumptions about future events that may prove to be inaccurate. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. In addition, other known or unknown risks and factors may affect the accuracy of our forward-looking information. Our forward-looking statements speak only as of the date of this Offer to Purchase or as of the date they are made, and, except as otherwise required by applicable securities laws, we undertake no obligation to update our forward-looking statements.

INTRODUCTION

The Monarch Cement Company invites its stockholders, in their discretion, to tender their Stock for purchase by us. Upon the terms and subject to the conditions of this Offer to Purchase and the Letter of Transmittal, we are offering to purchase shares of Stock, regardless of class, pursuant to (i) Auction Tenders at prices specified by the tendering stockholders of not less than \$60.00 nor greater than \$70.00 per share, or (ii) Purchase Price Tenders. The Purchase Price for each class of Stock (capital stock and Class B capital stock) will be the same. We are offering to purchase shares of Stock having an aggregate Purchase Price of no more than \$5 million.

The Offer will expire on December 18, 2020, at 5:00 p.m., Central Time, unless the Offer is extended or terminated by us (such time, as it may be extended, the "Expiration Time").

After the Expiration Time, assuming the conditions to the Offer have been satisfied or waived, we will determine a single price per share, the Purchase Price, which will be not less than \$60.00 and not more than \$70.00 per share, that we will pay for shares of Stock (regardless of class) validly tendered in the Offer and not validly withdrawn, taking into account the number of shares tendered pursuant to Auction Tenders and pursuant to Purchase Price Tenders and the prices specified by stockholders tendering shares pursuant to Auction Tenders. Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price. Stockholders who validly tender shares without specifying whether they are making an Auction Tender or a Purchase Price Tender will be deemed to have made a Purchase Price Tender. The Purchase Price will be the lowest price per share of not less than \$60.00 and not more than \$70.00 per share at which shares have been tendered or have been deemed to be tendered in the Offer that will enable us to purchase the maximum number of shares validly tendered in the Offer and not validly withdrawn having an aggregate purchase price not exceeding \$5 million. Shares validly tendered pursuant to an Auction Tender will not be purchased if the price specified in the Auction Tender is greater than the Purchase Price. All shares purchased pursuant to the Offer will be purchased at the same Purchase Price, regardless of class and regardless of whether the stockholder tendered at a lower price. Shares tendered but not purchased pursuant to the Offer will be returned promptly following the Expiration Time. See Sections 3 and 4.

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO A NUMBER OF OTHER TERMS AND CONDITIONS. SEE SECTION 6.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NEITHER THE COMPANY NOR ITS BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO YOU AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PRICE OR PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISIONS AS TO WHETHER TO TENDER YOUR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PRICE OR PRICES AT WHICH YOU WILL TENDER THEM. IN DOING SO, YOU SHOULD READ CAREFULLY THE INFORMATION IN, OR INCORPORATED BY REFERENCE IN, THIS OFFER TO PURCHASE AND IN THE LETTER OF TRANSMITTAL, INCLUDING THE PURPOSES AND EFFECTS OF THE OFFER. SEE SECTION 2. YOU ARE URGED TO DISCUSS YOUR DECISIONS WITH YOUR OWN TAX ADVISOR, FINANCIAL ADVISOR AND/OR BROKER.

THE OFFER

1. Number of Shares; Purchase Price; Proration

General. Promptly following the Expiration Time, Monarch will, upon the terms and subject to the conditions of the Offer, determine a single Purchase Price (which will be not less than \$60.00 and not more than \$70.00 per share) that it will pay for shares of Stock (regardless of class) validly tendered in the Offer and not validly withdrawn, taking into account the number of shares tendered pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by stockholders tendering shares pursuant to Auction Tenders.

The Purchase Price will be the lowest price per share of not less than \$60.00 and not more than \$70.00 per share at which shares have been tendered or have been deemed to be tendered in the Offer that will enable Monarch to purchase the maximum number of tendered shares having an aggregate purchase price not exceeding \$5 million. Only shares validly tendered at prices at or below the Purchase Price, and not validly withdrawn, will be eligible for purchase in the Offer. Shares validly tendered pursuant to an Auction Tender will not be purchased if the price specified in the Auction Tender is greater than the Purchase Price.

Promptly after determining the Purchase Price, all stockholders who have validly tendered and not validly withdrawn their shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash, without interest, but subject to applicable withholding taxes, for all shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to "odd lot" priority and proration described below.

Under a Purchase Price Tender, shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price. If you wish to maximize the chance that your shares will be purchased by us in the Offer, you should validly tender your shares pursuant to a Purchase Price Tender. Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the

Purchase Price. Accordingly, Purchase Price Tenders could result in the Purchase Price being lower and could result in your shares being purchased at the minimum price in the Offer.

Shares acquired pursuant to the Offer will be acquired by Monarch free and clear of all liens, charges, encumbrances, security interests, claims and restrictions whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions which may be declared, paid, issued, distributed, made or transferred on or in respect of such shares to stockholders of record on or prior to the date on which the shares are purchased under the Offer shall be for the account of such stockholders. See Section 7.

The Offer is not conditioned upon any minimum number of shares being tendered. The Offer is, however, subject to a number of other terms and conditions. See Section 6.

Priority of Purchases. Upon the terms and subject to the conditions of the Offer, if shares having an aggregate purchase price of less than \$5 million are validly tendered and not validly withdrawn, we will buy all shares validly tendered and not validly withdrawn. Upon the terms and subject to the conditions of the Offer, if the number of shares validly tendered at or below the Purchase Price and not validly withdrawn prior to the Expiration Time would result in an aggregate purchase price of more than \$5 million:

- *First*, we will purchase all shares of Stock (regardless of class) tendered by any Odd Lot Holder (as defined below) who:
 - validly tenders and does not validly withdraw prior to the Expiration Time all shares owned beneficially or of record by the Odd Lot Holder at a price at or below the Purchase Price (tenders of less than all of the shares owned by an Odd Lot Holder will not qualify for this preference); and
 - in the case of a broker, dealer, commercial bank, trust company or other nominee that is tendering for the actual beneficial owner, completes the section entitled "Odd Lots" in the Letter of Transmittal.
- *Second*, we will purchase all other shares of Stock (regardless of class) validly tendered and not validly withdrawn prior to the Expiration Time at prices at or below the Purchase Price, on a pro rata basis, with appropriate adjustments to avoid purchases of fractional shares, as described below, until we have purchased shares resulting in an aggregate purchase price of up to \$5 million.

As a result of the foregoing priorities applicable to the purchase of shares tendered, it is possible that all of the shares that a stockholder tenders in the Offer at or below the Purchase Price may not be purchased. In addition, if a tender is conditioned upon the purchase of a specified number of shares, it is possible that none of those shares will be purchased.

Odd Lots. The term "odd lots" means all shares validly tendered prior to the Expiration Time at prices at or below the Purchase Price and not validly withdrawn by any person who owned, beneficially or of record, a total of fewer than 100 shares and so certified in the appropriate place on the Letter of Transmittal (an "*Odd Lot Holder*"). To qualify for this preference, an Odd Lot Holder must tender all shares owned by the Odd Lot Holder in accordance with the procedures described in Section 3. Odd lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of 100 or more shares in the aggregate, even if these holders have separate accounts or certificates representing fewer than 100 shares. Any broker, dealer, commercial bank, trust company or other nominee that is tendering for an Odd Lot Holder wishing to tender all of his or her shares pursuant to the Offer should complete the section entitled "Odd Lots" in the Letter of Transmittal.

Proration. The proration period is the period for accepting shares on a pro rata basis in the event that the Offer is oversubscribed. The proration period will expire at the Expiration Time. If proration of tendered shares is required, we will determine the proration factor promptly following the Expiration Time. Subject to adjustment to avoid the purchase of fractional shares, proration for each stockholder tendering shares at or below the Purchase Price (other than Odd Lot Holders) will be based on the ratio of the total number of shares to be purchased by us from such stockholder (excluding shares purchased from Odd Lot Holders) to the number of shares validly tendered and not validly withdrawn by all stockholders (other than Odd Lot Holders) at or below the Purchase Price. This ratio will be applied to stockholders (other than Odd Lot Holders) validly tendering shares at or below the Purchase Price to determine the number of shares that will be purchased from each tendering stockholder in the Offer. Because of the difficulty in determining the number of shares validly tendered and not validly withdrawn, and because of the odd lot procedure described above, if the Offer is over-subscribed, we do not expect that we will be able to commence payment for any shares purchased pursuant to the Offer until up to three business days after the Expiration Time. After the Expiration Time, stockholders may obtain preliminary proration information from us.

As described in Section 13, the number of shares that we will purchase from a stockholder pursuant to the Offer may affect the U.S. federal income tax consequences of the purchase to the stockholder and, therefore, may be relevant to a stockholder's decisions whether or not to tender shares and whether or not to condition any tender upon our purchase of a stated number of shares held by such stockholder.

This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of the shares and will be furnished to brokers, dealers, commercial banks, trust companies and other nominee stockholders and similar persons whose names, or the names of whose nominees, appear on Monarch's stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

2. Purpose of the Offer; Certain Effects of the Offer

Purpose of the Offer. The Board believes that the Offer represents a prudent use of our financial resources in light of our business profile, assets, current indebtedness and debt capacity. At September 30, 2020, we had net working capital of approximately \$75.0 million and no long-term debt. The primary purpose of the Offer is to return cash to our stockholders by providing them with the opportunity to tender all or a portion of their shares and, thereby, receive a return of some or all of their investment if they so elect. In addition, if we complete the Offer, stockholders who do not participate in the Offer will automatically increase their relative percentage ownership interest in us and our future operations.

After completion of the Offer, we believe that our anticipated cash flow from operations, our access to credit and capital markets and our financial condition will be adequate for our needs. However, actual experience may differ significantly from our expectations. See "Forward Looking Statements." In considering the Offer, our management and our Board of Directors took into account the expected financial impact of the Offer on our liquidity.

Where shares are tendered by the registered owner of those shares directly to us, the sale of those shares in the Offer may permit the seller to avoid the usual transaction costs associated with open market sales.

Stockholders who wish to achieve a greater percentage of equity ownership in the Company will be able to do so by not tendering their shares in the Offer, and, if the Company completes the Offer, will therefore have a greater percentage ownership in Monarch and its future earnings and assets, while also bearing the attendant risks associated with owning the Company's Stock.

After completing the Offer, we may purchase additional shares in the open market subject to market conditions. We may also purchase shares in private transactions, exchange offers, tender offers or otherwise. Any of these purchases may be on the same terms as, or on terms more or less favorable to stockholders than, the terms of the Offer. However, applicable rules under the Exchange Act generally prohibit us and our affiliates from purchasing any shares, other than through the Offer, until at least 10 business days after the expiration or termination of the Offer. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of the Offer, our business and financial position and general economic and market conditions.

Certain Effects of the Offer. Stockholders who do not tender their shares in the Offer and stockholders who otherwise retain an equity interest in the Company as a result of a partial tender of shares or proration will continue to be owners of the Company and be subject to the risks of such ownership. If we complete the Offer, those stockholders will realize an automatic increase in their relative ownership interest in the Company and also will bear the attendant risks associated with the increased ownership interest. Stockholders may be able to sell non-tendered shares in the future at a price significantly higher or lower than the Purchase Price pursuant to the Offer. We can give no assurance as to the price at which a stockholder may be able to sell its shares in the future.

The Offer will reduce our "public float" (the number of shares of our Stock owned by non-affiliated stockholders and available for trading in the securities markets), and is likely to reduce the number of our stockholders.

Our directors and executive officers have advised us that they do not intend to tender shares in the Offer. In addition, we are not aware of any of our affiliates that intend to tender any shares in the Offer. The equity ownership of our directors and executive officers will proportionately increase as a percentage of our outstanding Stock following the consummation of the Offer. Our directors and executive officers may, subject to applicable law and applicable policies and practices of the Company, sell their shares from time to time at prices that may be more or less favorable than the Purchase Price to be paid to our stockholders pursuant to the Offer. See Section 10.

Shares acquired pursuant to the Offer will be retired and will resume the status of authorized and unissued shares.

Other Plans or Proposals. Except as disclosed or incorporated by reference in this Offer to Purchase, Monarch currently has no plans, proposals or negotiations that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving Monarch or any of its material subsidiaries;
- any purchase, sale or transfer of a material amount of assets of Monarch or any of its subsidiaries;
- any material change in the present dividend policy, or indebtedness or capitalization of Monarch;
- any material change in the present Board of Directors or management of Monarch, including, but not limited to, any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board or to change any material term of the employment contract of any executive officer;
- any other material change in Monarch's corporate structure or business; or
- any changes in Monarch's Restated Certificate of Incorporation or By-laws or other governing instruments or other actions that could impede the acquisition of control of Monarch.

Although we do not currently have any plans, other than as disclosed or incorporated by reference in this Offer to Purchase, that relate to or would result in any of the events discussed above, as we evaluate opportunities, we may undertake or plan actions that relate to or could result in one or more of these events. We reserve the right to change our plans and intentions at any time as we deem appropriate.

3. Procedures for Tendering Shares

Valid Tender of Shares. For shares to be tendered validly in the Offer, we must receive the following items at the address shown on the Letter of Transmittal prior to the Expiration Time:

- the certificates for the shares of Stock being tendered;
- a validly completed and duly executed Letter of Transmittal, including any required signature guarantees;
- a validly completed and duly executed IRS Form W-9 (or IRS Form W-8 if you are a Non-United States Holder, as defined in Section 13); and
- any other documents required by the Letter of Transmittal.

In accordance with Instructions 4 and 5 to the Letter of Transmittal, each stockholder who desires to tender shares in the Offer must either check (1) **one, and only one**, of the boxes in the section of the Letter of Transmittal captioned "Auction Price Tender: Price (in Dollars) per Share at Which Shares are Being Tendered," indicating the price (in increments of \$1.00) at which shares are being tendered, or (2) the box in the section of the Letter of Transmittal captioned "Purchase Price Tender," in which case you will be deemed to have tendered your shares at the minimum price of \$60.00 per share (YOU SHOULD UNDERSTAND THAT THIS ELECTION MAY CAUSE THE PURCHASE PRICE TO BE LOWER AND COULD RESULT IN THE TENDERED SHARES BEING PURCHASED AT THE MINIMUM PRICE OF \$60.00 PER SHARE). A tender of shares will be proper only if, among other things, one, and only one, of these boxes is checked on the Letter of Transmittal. Stockholders who validly tender shares without specifying whether they are making an Auction Tender or Purchase Price Tender will be deemed to have made a Purchase Price Tender.

If tendering stockholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Purchase Price Tender." Shares tendered pursuant to Purchase Price Tenders will be deemed to have been tendered at a price of \$60.00 per share (which is the minimum price per share under the Offer) for purposes of determining the Purchase Price. Accordingly, Purchase Price Tenders could result in the Purchase Price being lower and could result in your shares being purchased at the minimum price in the Offer.

If tendering stockholders using a Letter of Transmittal wish to indicate a specific price at which their shares are being tendered, they must check the box indicating such price under the section captioned "Auction Price Tenders: Price (in Dollars) per Share at Which Shares are Being Tendered." Tendering stockholders should be aware that this election could result in none of their shares being purchased if the Purchase Price selected by the Company for the shares is less than the price selected by the stockholder. A stockholder who wishes to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are being tendered. The same shares cannot be tendered (unless previously validly withdrawn in accordance with the terms of the Offer) at more than one price. Separate notices of withdrawal (described in Section 4) are not required for each Letter of

Transmittal unless each Letter of Transmittal tenders shares at different prices; however, absent a notice of withdrawal, subsequent Letters of Transmittal do not revoke prior Letters of Transmittal. Stockholders may contact us for additional instructions.

Stockholders holding shares in a brokerage account or otherwise through a broker, dealer, commercial bank, trust company or other nominee, must contact their broker, dealer, commercial bank, trust company or other nominee in order to tender their shares. Stockholders who hold shares through nominee stockholders are urged to consult their nominees to determine whether any charges may apply if stockholders tender shares through such nominees and not directly to us.

Odd Lot Holders who wish to qualify for the preferential treatment available to Odd Lot Holders as described in Section 1 (i) must tender all of their shares and (ii) in the case of any broker, dealer, commercial bank, trust company or other nominee that is tendering for the actual beneficial Odd Lot Holder, also must complete the section entitled "Odd Lots" in the Letter of Transmittal.

Signature Guarantees and Method of Delivery. If a certificate for shares of our Stock is registered in the name of a person other than the person executing a Letter of Transmittal, then the tendered certificate must be endorsed or accompanied by an appropriate stock power, signed exactly as the name of the registered holder appears on the certificate, with the signature guaranteed by an Eligible Institution (as defined below). No signature guarantee is required if shares are tendered for the account of a broker, dealer, commercial bank, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program or a broker, dealer, commercial bank, credit union, savings association or other entity that is also an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing constituting an "Eligible Institution").

The method of delivery of all documents, including certificates for shares of our Stock, the Letter of Transmittal and any other required documents, is at the sole election and risk of the tendering stockholder. Shares will be deemed delivered only when actually received by us. If delivery is by mail, then registered mail with return receipt requested, validly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

All deliveries made in connection with the Offer, including a Letter of Transmittal and certificates for shares, must be made to us.

Return of Unpurchased Shares. If any tendered shares are not purchased, or if less than all shares evidenced by a stockholder's certificates are tendered, certificates for unpurchased shares will be returned promptly after the expiration or termination of the Offer or the proper withdrawal of the shares, in each case, without expense to the stockholder.

U.S. Federal Income Tax Backup Withholding. Under the U.S. federal income tax backup withholding rules, a portion (24% under current law) of the gross proceeds payable to a stockholder or other payee pursuant to the Offer may be withheld and remitted to the Internal Revenue Service ("IRS") unless the stockholder or other payee (i) establishes that it is an "exempt recipient" (as described below) or (ii) provides its taxpayer identification number (employer identification number or social security number) to us as well as certain other information and certifies under penalties of perjury that the number is correct, the stockholder is a U.S. person and the stockholder is not subject to backup withholding. Therefore, each tendering stockholder that is a United States Holder (as defined in Section 13) should complete and sign the IRS Form W-9 included as part of the Letter of Transmittal so as to provide the information and certification necessary to avoid backup withholding unless the stockholder otherwise establishes to our satisfaction that the stockholder is not subject to backup withholding. If a United States Holder does not provide us with the correct taxpayer identification number, the United States Holder may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS in accordance with its refund procedures. Certain "exempt recipients" (including, among others, generally all corporations and certain Non-United States Holders (as defined in Section 13)) are not subject to backup withholding. In order for a Non-United States Holder to qualify as an exempt recipient, that stockholder should submit an appropriate IRS Form W-8, signed under penalties of perjury, attesting to that stockholder's exempt status. This statement can be obtained from the IRS website at www.irs.gov. See Instruction 3 of the related Letters of Transmittal.

TO PREVENT U.S. FEDERAL INCOME TAX BACKUP WITHHOLDING, EACH STOCKHOLDER THAT IS A UNITED STATES HOLDER AND DOES NOT OTHERWISE ESTABLISH AN EXEMPTION FROM BACKUP WITHHOLDING SHOULD PROVIDE US WITH THE STOCKHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND PROVIDE OTHER INFORMATION BY COMPLETING THE IRS FORM W-9 INCLUDED AS PART OF THE LETTER OF TRANSMITTAL, AND EACH NON-UNITED STATES HOLDER WHICH DOES NOT OTHERWISE ESTABLISH AN EXEMPTION FROM BACKUP WITHHOLDING MUST PROVIDE US WITH THE APPROPRIATE IRS FORM W-8, WHICH CAN BE OBTAINED FROM THE IRS WEBSITE AT WWW.IRS.GOV.

For a discussion of United States federal income tax consequences to tendering stockholders, see Section 13.

Withholding for Non-United States Holders. As described in Section 15, the U.S. federal income tax treatment of the receipt of cash in exchange for shares pursuant to the Offer will depend upon facts that are unique to each Non-United States Holder (as defined in Section 15). Accordingly, even if a Non-United States Holder has provided the required certification to avoid backup withholding, we will withhold an amount equal to 30% of the gross payments payable to the Non-United States Holder or his agent unless (a) we determine that a reduced rate of withholding is available under a tax treaty or (b) an exemption from withholding is applicable because the gross proceeds are effectively connected with the conduct of a trade or business within the United States (and, if a treaty applies, the gross proceeds are attributable to a United States permanent establishment maintained by such Non-United States Holder) (see Section 13).

To obtain a reduced rate of withholding under a tax treaty, a Non-United States Holder must deliver to us a validly completed and executed IRS Form W-8BEN. To obtain an exemption from withholding on the grounds that the gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business within the United States, a Non-United States Holder must deliver to us a validly completed and executed IRS Form W-8ECI. We will determine a stockholder's status as a Non-United States Holder and eligibility for a reduced rate of, or exemption from, withholding by reference to any outstanding, valid certificates or statements concerning eligibility for a reduced rate of, or exemption from, withholding unless facts and circumstances indicate that reliance is not warranted.

A Non-United States Holder may be eligible to obtain a refund of all or a portion of any amount withheld if (a) the Non-United States Holder meets the "complete termination," "substantially disproportionate" or "not essentially equivalent to a dividend" tests described in Section 13 that would characterize the transaction as an exchange (as opposed to a distribution) with respect to which the Non-United States Holder is not subject to tax, or (b) is otherwise able to establish that no tax or a reduced amount of tax is due.

NON-UNITED STATES HOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING RATE REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

Determination of Validity; Rejection of Shares; Waiver of Defects; No Obligation to Give Notice of Defects. All questions as to the number of shares to be accepted, the Purchase Price to be paid for shares to be accepted and the validity, form, eligibility, including time of receipt, and acceptance for payment of any tender of shares will be determined by Monarch, in its sole discretion and will be final and binding on all parties absent a finding to the contrary by a court of competent jurisdiction. Monarch reserves the absolute right to reject any or all tenders of any shares that it determines are not in proper form or the acceptance for payment of or payment for which it determines may be unlawful. Monarch also reserves the absolute right to waive any of the conditions of the Offer prior to the Expiration Time with respect to all tendered shares. Monarch also reserves the absolute right to waive any defect or irregularity in any tender with respect to any particular shares, whether or not Monarch waives similar defects or irregularities in the case of any other stockholder. No tender of shares will be deemed to have been validly made until all defects or irregularities have been cured by the tendering stockholder or waived by Monarch. Monarch will not be liable for failure to waive any condition of the Offer, or any defect or irregularity in any tender of shares. Neither Monarch nor any other person will be obligated to give notice of any defects or irregularities in tenders, nor will any of them incur any liability for failure to give any such notice.

Tendering Stockholder's Representation and Warranty; Our Acceptance Constitutes an Agreement. It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others, directly or indirectly, to tender shares for such person's own account unless, at the time of tender and at the end of the proration period or period during which shares are accepted by lot, such person has a "net long position" (i.e., more shares held in long positions than in short positions) in (1) a number of shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such shares for the purpose of tendering to us within the period specified in the Offer or (2) other securities immediately convertible into, exercisable for or exchangeable into a number of shares ("*Equivalent Securities*") that are equal to or greater than the number of shares tendered and, upon the acceptance of such tender, will acquire such shares by conversion, exchange, or exercise of such Equivalent Securities and will deliver or cause to be delivered such shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to us that (i) such stockholder has a "net long position" in a number of shares or Equivalent Securities at least equal to the shares being tendered within the meaning of Rule 14e-4 and (ii) such tender of shares complies with Rule 14e-4. Our acceptance for payment of shares tendered in the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer.

Lost or Destroyed Certificates. If any certificate representing shares of our Stock has been lost or destroyed, the stockholder should promptly notify Lisa Fontaine at (620) 473-2222. The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. Stockholders are requested to contact us immediately in order to permit timely processing of this documentation; however, there can be no assurance that a lost or destroyed certificate can be replaced prior to expiration of the Offer.

Certificates for shares, together with a validly completed Letter of Transmittal and any other documents required by the Letter of Transmittal, must be delivered to Monarch.

4. Withdrawal Rights

Shares tendered in the Offer may be withdrawn at any time prior to the Expiration Time. Except as otherwise provided in this Section 4, tenders of shares pursuant to the Offer are irrevocable.

For a withdrawal to be effective, a written notice of withdrawal must be received in a timely manner, as described in the immediately preceding paragraph, by us at The Monarch Cement Company, 449 1200 Street, Humboldt, KS 66748, Attention: Lisa Fontaine, and any notice of withdrawal must specify the name of the tendering stockholder, the number of shares to be withdrawn, the price at which such shares were tendered, if an Auction Tender is being withdrawn, and the name of the registered holder of the shares to be withdrawn, if different from the person who tendered the shares. A stockholder who has tendered shares at more than one price must complete a separate notice of withdrawal for shares tendered at each price. If the certificates for shares to be withdrawn have been delivered to us, then, before the release of those certificates, the tendering stockholder also must submit the serial numbers shown on those particular certificates for shares to be withdrawn and, unless an Eligible Institution has tendered those shares, the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution.

All questions as to the form and validity, including the time of receipt, of any notice of withdrawal will be determined by Monarch, in its sole discretion and will be final and binding on all parties absent a finding to the contrary by a court of competent jurisdiction. Monarch reserves the absolute right to waive any defect or irregularity in the notice of withdrawal or method of withdrawal of shares by any stockholder, whether or not Monarch waives similar defects or irregularities in the case of any other stockholder. None of Monarch or any other person will be obligated to give notice of any defects or irregularities in any notice of withdrawal, nor will any of them 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 Time by again following one of the procedures described in Section 3.

If Monarch extends the Offer, is delayed in its purchase of shares, or is unable to purchase shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, Monarch may, subject to applicable law, retain tendered shares and such shares may not be withdrawn, except to the extent tendering stockholders are entitled to withdrawal rights as described in this Section 4 (subject to applicable rules under the Exchange Act).

5. Purchase of Shares and Payment of Purchase Price

Upon the terms and subject to the conditions of the Offer, promptly following the Expiration Time, we will (1) determine the Purchase Price we will pay for shares validly tendered and not validly withdrawn prior to the Expiration Time, taking into account the number of shares so tendered and the prices specified by tendering stockholders and (2) accept for payment and pay an aggregate purchase price of up to \$5 million for shares that are validly tendered at prices at or below the Purchase Price and not validly withdrawn prior to the Expiration Time.

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay the Purchase Price per share for all of the shares accepted for payment pursuant to the Offer promptly after the Expiration Time. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by us of (1) certificates for the shares tendered, (2) a validly completed and duly executed Letter of Transmittal including any required signature guarantees, (3) a validly completed and duly executed IRS Form W-9 (or IRS Form W-8 if you are a Non-United States Holder, as defined in Section 13), and (4) any other documents required by the Letter of Transmittal. We will pay for shares purchased pursuant to the Offer by check.

In the event of proration, we will determine the proration factor and pay for those tendered shares accepted for payment promptly after the Expiration Time. However, we do not expect to be able to commence payment for any shares purchased pursuant

to the Offer until up to three business days after the Expiration Time. Certificates for all shares tendered and not purchased, including all shares tendered at prices in excess of the Purchase Price and shares not purchased due to proration, will be returned to the tendering stockholder at our expense promptly after the Expiration Time or termination of the Offer.

Under no circumstances will we pay interest on the Purchase Price, even if there is any delay in making payment. In addition, if certain events occur prior to the Expiration Time, we may not be obligated to purchase shares pursuant to the Offer. See Section 6.

The tendering stockholder is responsible for the payment of all stock transfer taxes, if any, payable on the transfer to us of shares purchased pursuant to the Offer. The amount of any stock transfer taxes (whether imposed on the registered holder or the other person) payable on account of the transfer to us of shares purchased pursuant to the Offer may be deducted from the Purchase Price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted to us.

6. Conditions of the Offer

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of or the payment for shares tendered, subject to the rules under the Exchange Act, if at any time prior to the Expiration Time, any of the following events or circumstances shall have occurred (or shall have been reasonably determined by us to have occurred):

- there shall have been instituted, or there shall be pending, or we shall have received notice of any action, suit, proceeding or application by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency, other tribunal or arbitrator or arbitration panel that directly or indirectly:
 - challenges or seeks to challenge, restrain, prohibit, delay or otherwise affect the making of the Offer, the acquisition by us of some or all of the shares pursuant to the Offer or otherwise relates in any manner to the Offer or seeks to obtain material damages in respect of the Offer; or
 - seeks to make the purchase of, or payment for, some or all of the shares pursuant to the Offer illegal or may result in a delay in our ability to accept for payment or pay for some or all of the shares;
- our acceptance for payment, purchase or payment for any shares tendered in the Offer shall violate or conflict with, or otherwise be contrary to, any applicable law, statute, rule, regulation, decree or order;
- any action shall have been taken or any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries by any court, government or governmental agency or other regulatory or administrative authority or body, domestic or foreign, which:
 - indicates that any approval or other action of any such court, agency or authority may be required in connection with the Offer or the purchase of shares thereunder; or
 - is reasonably likely to make the purchase of, or payment for, some or all of the shares pursuant to the Offer illegal or to prohibit, restrict or delay consummation of the Offer;
- there shall have occurred any of the following:
 - any general suspension of trading in securities on any United States national securities exchange or in the over-the-counter market, the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory, or any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that is likely, in our reasonable judgment, to materially adversely affect, the extension of credit by banks or other lending institutions in the United States;
 - the commencement or escalation, on or after November 16, 2020, of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, directly or indirectly involving the United States;

- any decrease of more than 10% in the market price for our Stock or in the Dow Jones Industrial Average, New York Stock Exchange Index, the New York Stock Exchange Composite Index or the Standard and Poor's 500 Composite Index measured from the close of trading on November 16, 2020;
- any change, condition, event or development, or any condition, event or development involving a prospective change, occurs, is discovered, or is threatened relating to (i) general political, market, economic, financial or industry conditions in the United States or (ii) our business, general affairs, management, financial position, stockholders equity, income, results of operations, properties, assets, liabilities, condition (financial or otherwise), income, operations, licenses, franchises, permits, or prospects or in ownership of our shares, which in our reasonable judgment is or may be materially adverse to us; or
- in the case of any of the foregoing existing at the time of the announcement of the Offer, a material acceleration or worsening thereof;
- a tender or exchange offer for any or all of our outstanding Stock (other than the Offer), or any merger, amalgamation, acquisition, business combination or other similar transaction with or involving us or any of our subsidiaries, shall have been proposed, announced or made by any person or entity or shall have been publicly disclosed or we shall have entered into a definitive agreement or an agreement in principle with any person with respect to a merger, amalgamation, acquisition, business combination or other similar transaction;
- we shall have learned that any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person (1) has acquired or proposes to acquire beneficial ownership of more than 5% of our outstanding Stock, whether through the acquisition of stock, the formation of a group, the grant of any option or right (options for and other rights to acquire shares of our Stock that are acquired or proposed to be acquired being deemed to be immediately exercisable or convertible for purposes of this clause), or otherwise, or (2) shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our subsidiaries or any of our or their respective assets or securities; or
- any approval, permit, authorization, favorable review or consent or waiver of or filing with any domestic or foreign governmental entity or other authority or any third party consent or notice, required to be obtained or made in connection with the Offer shall not have been obtained or made on terms and conditions satisfactory to us in our reasonable judgment.

Each of the conditions referred to above is for our sole benefit and may be asserted or waived by us, in whole or in part, at any time in our discretion prior to the Expiration Time. Any determination by us concerning the fulfillment or non-fulfillment of the conditions described above will be final and binding on all parties, except as finally determined in a subsequent judicial proceeding if Monarch's determinations are challenged by stockholders.

7. Price Range of Shares; Dividends

Our Stock is not listed on a national securities exchange, but our capital stock trades as Other-OTC under the symbol "MCEM." The following table sets forth the high and low sales prices for the capital stock during the periods indicated, as reported on Yahoo.com, together with the dividends per share paid in such periods. Our Class B capital stock does not trade in any public market and therefore meaningful sales price information for the Class B capital stock is not available. The dividends per share of Class B capital stock paid are identical to those paid per share of capital stock in the periods indicated below.

	<u>High</u>	<u>Low</u>	<u>Dividends per Share</u>
Year Ending December 31, 2020			
Third Quarter	\$59.00	\$48.71	\$0.50
Second Quarter	\$55.00	\$43.20	\$0.50
First Quarter	\$62.50	\$42.00	\$0.50
Year Ended December 31, 2019			
Fourth Quarter	\$63.50	\$59.00	\$0.45
Third Quarter	\$62.00	\$56.25	\$0.45
Second Quarter	\$65.00	\$61.12	\$0.45
First Quarter	\$65.10	\$57.25	\$0.40
Year Ended December 31, 2018			
Fourth Quarter	\$74.00	\$59.00	\$0.40

Third Quarter	\$74.29	\$66.01	\$0.40
Second Quarter	\$77.00	\$69.25	\$0.55
First Quarter	\$78.00	\$68.00	\$0.35

As of November 6, 2020, the last closing price of our capital stock on Other-OTC (as reported by Yahoo.com) was \$57.00 per share; our Class B capital stock does not trade in any public market. **You are urged to obtain current market quotations for our capital stock before deciding whether, and at what price or prices, to tender your shares pursuant to the Offer.**

During 2019 and 2018, we paid aggregate dividends of \$7,142,460 (or \$1.85 per share of Stock) and \$6,756,381 (or \$1.75 per share of Stock), respectively. The payment of dividends is made at the discretion of our Board of Directors and depends upon our operating results, financial condition, capital requirements, general business conditions and such other factors as our Board of Directors deems relevant. The Board of Directors has declared a regular cash dividend of \$0.50 per share of the Company's capital stock, payable on December 14, 2020 to holders of record of such capital stock at the close of business on November 16, 2020. Each holder of record of shares of the Company's capital stock at the close of business on November 16, 2020 will be entitled to receive the dividend for each share then held by such holder regardless of whether he or she tenders shares in the Offer and regardless of whether any tender made by such holder occurs before or after that date.

8. Source of Funds

We intend to fund any purchase of shares pursuant to the Offer, including the related fees and expenses, from cash on hand.

9. Certain Information Concerning the Company

The Monarch Cement Company was organized as a corporation under the laws of the State of Kansas in 1913. Since its inception, Monarch has been engaged in the manufacture and sale of portland cement, which is the basic material used in the production of ready mixed concrete that is used in highway, bridge and building construction where strength and durability are primary requirements.

Subsidiaries of Monarch are engaged in the ready mixed concrete, concrete products and sundry building materials business.

Our principal executive offices are located at 449 1200 Street, Humboldt, KS 66748. Our telephone number at that address is (620) 473-2222 and our website address is www.monarchcement.com. The information contained on our website, unless otherwise expressly provided herein, is neither part of, nor incorporated by reference into, this Offer to Purchase.

A copy of our 2019 annual report and 2020 third quarter report previously were provided to each of our stockholders and are incorporated herein by reference. You may request an additional copy of our 2019 annual report and 2020 third quarter report from us at The Monarch Cement Company, 449 1200 Street, Humboldt, KS 66748, Attention: Lisa Fontaine, or at (620) 473-2222.

10. Transactions and Arrangements Concerning the Shares

Shares Outstanding. As of November 6, 2020 we had 3,860,789 issued and outstanding shares of Stock (of which 2,665,931 shares were capital stock and 1,194,858 shares were Class B capital stock). Because the Purchase Price will only be determined after the Expiration Date, the number of shares of Stock that will be purchased will not be known until after that time. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$60.00 per share, the minimum purchase price under the Offer, the approximate number of shares that will be purchased under the Offer is 83,333 (representing approximately 3.13% of our outstanding shares of capital stock as of November 6, 2020 and approximately 2.16% of our outstanding shares of Stock of both classes combined as of that date). Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be \$70.00 per share, the maximum purchase price under the Offer, the approximate number of shares that will be purchased under the Offer is 71,428 (representing approximately 2.68% of our outstanding shares of capital stock as of November 6, 2020 and approximately 1.85% of our outstanding shares of Stock of both classes combined as of that date). The actual number of shares of Stock that will be purchased under the Offer will depend on the number of shares tendered as well as the Purchase Price for such shares, and the number of shares of Stock of each class that will be purchased under the Offer also will depend on the number of shares of each class tendered in the Offer.

Directors and Executive Officers. Our directors and executive officers have advised us that they do not intend to tender shares in the Offer. In addition, we are not aware of any of our affiliates that intend to tender any shares in the Offer. The equity ownership of our directors and executive officers will proportionately increase as a percentage of our outstanding Stock following the consummation of the Offer. Our directors and executive officers may, subject to applicable law and applicable policies and practices

of the Company, sell their shares from time to time in open market transactions at prices that may be more or less favorable than the Purchase Price to be paid to our stockholders pursuant to the Offer.

11. Effects of the Offer on the Market for Shares

The purchase by us of shares of our Stock pursuant to the Offer will reduce the number of shares of our Stock that might otherwise be traded publicly and is likely to reduce the number of stockholders.

12. Legal Matters; Regulatory Approvals

Except as described in this Offer to Purchase, we are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, that would be required for our acquisition or ownership of shares as contemplated by the Offer.

Our obligation to accept for payment and pay for shares under the Offer is subject to various conditions. See Section 6.

13. Material U.S. Federal Income Tax Consequences

The following discussion is a summary of material U.S. federal income tax consequences to our stockholders of an exchange of shares for cash pursuant to the Offer. This discussion is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a specific stockholder in light of the stockholder's particular circumstances, or to certain types of stockholders subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, United States Holders (as defined below) whose "functional currency" is not the U.S. dollar, partnerships or other entities treated as partnerships or pass-through entities for U.S. federal income tax purposes (or their investors or beneficiaries), persons holding shares as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, financial institutions, brokers, dealers in securities or currencies, traders that elect to mark-to-market their securities, certain expatriates or former long-term residents of the United States or personal holding companies). In addition, the discussion does not consider the effect of any alternative minimum taxes or foreign, state, local or other tax laws, or any U.S. tax considerations (e.g., estate or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular stockholders. Further, this summary assumes that stockholders hold their shares as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "*Code*") and generally assumes that they did not receive their shares through the exercise of employee stock options or otherwise as compensation. In addition, the discussion assumes that the greenmail provisions of Section 5881 of the Code are not applicable to any payments made pursuant to the Offer.

This summary is based on the Code and applicable U.S. Treasury regulations, rulings, administrative pronouncements and judicial decisions thereunder as of the date hereof, all of which are subject to change or differing interpretations at any time with possible retroactive effect. This discussion is not binding on the IRS, and we have not sought, nor will we seek, any ruling from the IRS with respect to the matters discussed below. There can be no assurances that the IRS will not take a different position concerning tax consequences of the sale of shares to us pursuant to the Offer or that any such position would not be sustained.

As used herein, a "*United States Holder*" means a beneficial owner of shares that is for U.S. federal income tax purposes (1) an individual citizen or resident alien of the United States, (2) a corporation (or other entity taxed as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust if (x) the administration of the trust is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person. As used herein, a "*Non-United States Holder*" means a beneficial owner of shares that is neither a United States Holder, nor a partnership or other entity classified as a partnership for U.S. federal income tax purposes. If a partnership or other entity treated as a partnership for U.S. federal income tax purposes holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partnership holding shares and partners in such partnership should consult their own tax advisors about the U.S. federal income tax consequences of an exchange of shares for cash pursuant to the Offer.

EACH STOCKHOLDER IS ADVISED TO CONSULT THEIR OWN TAX ADVISOR TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO IT OF THE OFFER.

Tax Treatment of the Sale of Shares Pursuant to the Offer

An exchange of shares for cash pursuant to the Offer generally will be treated as either a taxable sale or exchange or as a taxable distribution with respect to such shares.

A stockholder's exchange of shares for cash pursuant to the Offer will be treated as a sale or exchange of the shares for U.S. federal income tax purposes pursuant to Section 302 of the Code if the exchange:

- results in a "complete termination" of the stockholder's stock interest in us under Section 302(b)(3) of the Code;
- is a "substantially disproportionate" redemption with respect to the stockholder under Section 302(b)(2) of the Code; or
- is "not essentially equivalent to a dividend" with respect to the stockholder under Section 302(b)(1) of the Code.

In determining whether any of these tests have been met, a stockholder must take into account not only the stock that the stockholder actually owns, but also the stock that it constructively owns within the meaning of Section 318 of the Code (as modified by Section 302(c) of the Code). Under these constructive ownership rules, a stockholder will be considered to own those shares of stock owned, directly or indirectly, by certain members of the stockholder's family and certain entities (such as corporations, partnerships, trusts and estates) in which the stockholder has an equity interest, as well as shares of stock the stockholder has an option to purchase. Stockholders should consult their tax advisors with respect to the operation of these constructive ownership rules.

The purchase of a stockholder's shares by us in the Offer will result in a "complete termination" of the stockholder's equity interest in us if either (1) the stockholder exchanges all of the shares of stock in us actually and constructively owned by the stockholder for cash pursuant to the Offer or (2) the stockholder exchanges all of the shares of stock in us actually owned by the stockholder for cash pursuant to the Offer and the stockholder is eligible to waive, and effectively waives, the attribution of all shares of stock in us constructively owned by the stockholder in accordance with the procedures described in Section 302(c)(2) of the Code. A stockholder may also satisfy the "complete termination" test if, in the same transaction, some of its shares of stock in us are redeemed and all of the remainder of its shares of stock in us are sold or otherwise transferred to a third party so that after the transaction the stockholder no longer owns (actually or constructively) any shares of stock in us. Stockholders wishing to satisfy the "complete termination" test through waiver of attribution in accordance with the procedures described in Section 302(c)(2) of the Code should consult their own tax advisors concerning the mechanics and desirability of such a waiver.

A sale of shares by a stockholder pursuant to the Offer will generally result in a "substantially disproportionate" redemption with respect to the stockholder if (1) the percentage of the outstanding shares of stock in us actually and constructively owned by the stockholder immediately following the exchange of shares for cash pursuant to the Offer is less than 80% of the percentage of the outstanding shares of stock in us actually and constructively owned by the stockholder immediately before the exchange (treating as outstanding all shares purchased in the Offer from the particular stockholder and all other stockholders) and (2) the stockholder owns, immediately after the exchange, less than 50% of the total combined voting power of all classes of our stock entitled to vote.

A sale of shares by a stockholder pursuant to the Offer will satisfy the "not essentially equivalent to a dividend" test if, taking into account the applicable constructive ownership rules, it results in a "meaningful reduction" in the stockholder's stock interest in us. Whether a stockholder meets this test will depend on the stockholder's particular facts and circumstances, as well as the relative percentage of the shares tendered by such shareholder and each of the other shareholders. The IRS has indicated in a published revenue ruling that even a small reduction in the percentage interest of a stockholder whose relative stock interest in a publicly held corporation is minimal and who exercises no control over corporate affairs should constitute a "meaningful reduction." In the event that other stockholders exchange a greater percentage of their shares pursuant to the Offer than a particular stockholder, a stockholder's interest in us may increase immediately following the Offer even if that stockholder exchanges shares for cash pursuant to the Offer and such stockholder does not (actually or constructively) acquire any other shares.

We cannot predict whether or the extent to which the Offer will be oversubscribed. If the Offer is oversubscribed, proration of tenders in the Offer will cause us to accept fewer shares than are tendered. Each stockholder should be aware that because proration may occur in the Offer, even if all the shares of stock in us actually and constructively owned by a stockholder are tendered pursuant to the Offer, fewer than all of the shares tendered by that stockholder may be purchased by us. Thus, proration may affect whether the surrender by a stockholder pursuant to the Offer will meet any of the three tests under Section 302 of the Code. In any event, no assurance can be given that a shareholder will be able to determine in advance whether its disposition of shares pursuant to the Offer will be treated as a sale or exchange under Section 302 of the Code. Section 302 and the related regulations and guidance are complex. Stockholders should consult their own tax advisors regarding the proper treatment of a disposition of shares pursuant to the Offer in light of the shareholder's particular circumstances.

Consequences to United States Holders

If the receipt of cash by a United States Holder in exchange for the tender of shares pursuant to the Offer is treated as a sale or exchange of such shares for U.S. federal income tax purposes pursuant to Section 302 of the Code, the United States Holder will recognize capital gain or loss equal to the difference between (1) the amount of cash received for such shares and (2) the United States Holder's adjusted tax basis in the shares that are sold pursuant to the Offer. Such gain or loss will generally be characterized as long-term capital gain or loss if the United States Holder's holding period for the shares that were sold exceeds one year at the time of sale. A United States Holder that is an individual, trust or estate is generally eligible for a reduced rate of U.S. federal income tax on long-term capital gain. A United States Holder's ability to deduct capital losses is subject to certain limitations. A United States Holder must calculate gain or loss separately for each block of shares (generally, shares acquired at the same cost in a single transaction) that we purchase from the United States Holder pursuant to the Offer.

If a United States Holder's receipt of cash attributable to an exchange of shares for cash pursuant to the Offer does not meet one of the tests of Section 302 of the Code described above, then the full amount of cash received by the United States Holder with respect to our purchase of shares under the Offer will be treated as a distribution to the United States Holder with respect to the United States Holder's shares and will be treated as ordinary dividend income to the United States Holder to the extent of such stockholder's ratable share of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Provided certain holding period requirements and other conditions are satisfied, non-corporate United States Holders generally will be subject to U.S. federal income tax at a maximum qualified dividends tax rate of 20% with respect to any such dividend income. To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits, the excess first will be treated as a return of capital that will reduce the United States Holder's adjusted tax basis in the shares exchanged in the Offer. Any amount remaining after the United States Holder's adjusted tax basis has been reduced to zero will be taxable to the United States Holder as capital gain realized on the sale or exchange of such shares. The redeemed stockholder's basis in the redeemed shares (after any reduction as noted above) will be allocated to other shares of stock in us held by the redeemed stockholder. A dividend received by a corporate United States Holder may be (1) eligible for a dividends-received deduction (subject to applicable exceptions and limitations) and (2) subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate stockholders should consult their own tax advisors regarding the U.S. federal income tax consequences of the Offer in relation to their particular facts and circumstances.

Consequences to Non-United States Holders

As discussed above under "Tax Treatment of the Sale of Shares", the U.S. federal income tax treatment of the sale of shares pursuant to the Offer will depend on whether a stockholder satisfies one of the Section 302 tests. Gain realized by a Non-United States Holder on an exchange of shares for cash pursuant to the Offer generally will not be subject to U.S. federal income tax if the exchange is treated as a sale or exchange for U.S. federal income tax purposes pursuant to the tests of Section 302 of the Code described above unless (1) such gain is effectively connected with the conduct by such Non-United States Holder of a trade or business in the United States (and, if an applicable income tax treaty applies, the gain is attributable to a United States permanent establishment maintained by such Non-United States Holder), (2) in the case of gain realized by a Non-United States Holder that is an individual, such Non-United States Holder is present in the United States for 183 days or more in the taxable year of the exchange and certain other conditions are met, or (3) our shares that are exchanged constitute a United States real property interest.

Non-United States Holders described in clause (1) above will be subject to U.S. federal income tax on a net income basis at applicable graduated U.S. federal income tax rates in much the same manner as if such holder were a resident of the United States, and in the case of a corporate Non-United States Holder, such Non-United States Holder may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty. An individual described in clause (2) above will be taxed on his or her gains at a flat rate of 30% (or such lower rate as may be specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of such Non-United States Holder provided that such Non-United States Holder has timely filed U.S. federal income tax returns with respect to such losses.

Our shares will constitute a United States real property interest with respect to a Non-United States Holder if (1) we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of (i) the period during which the Non-United States Holder held such shares or (ii) the 5-year period ending on the date the Non-United States Holder exchanges such shares pursuant to the Offer and (2) the Non-United States Holder actually or constructively owns or has owned (at any time during the shorter of such periods) more than 5% of our shares. We have not made a determination but do not believe that we have been a United States real property holding corporation at any time during the 5-year period preceding any sale pursuant to the Offer.

If a Non-United States Holder does not satisfy any of the Section 302 tests explained above, the full amount received by the Non-United States Holder with respect to our purchase of shares under the Offer will be treated as a distribution to the Non-United States Holder with respect to the Non-United States Holder's shares, rather than as an amount received in a sale or exchange of such shares. Because satisfaction of the Section 302 tests is dependent on matters of fact that are unique to each Non-United States Holder, we will presume, for withholding purposes, that all amounts paid to Non-United States Holders in exchange for their shares are distributions. The treatment, for U.S. federal income tax purposes, of such distribution as a dividend, a tax-free return of capital or a capital gain from the sale of shares, and the reallocation of the basis of the redeemed shares, will be determined in the manner described above (see "— Consequences to United States Holders"). However, we will generally treat amounts received by a Non-United States Holder with respect to our purchase of shares under the Offer as dividends and not as tax-free returns of capital or capital gains distributions, and such dividends will generally be subject to withholding of United States federal income tax at the rate of 30% or such lower rate as may be specified by an applicable income tax treaty, provided we have received proper certification of the application of such income tax treaty, unless such dividends are effectively connected with a Non-United States Holder's conduct of a trade or business within the United States. Non-United States Holders should consult their own tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty. If any amounts withheld exceed the Non-United States Holder's U.S. federal income tax liability, such Non-United States Holder may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS, including because such Non-United States Holder meets one of the tests of Section 302 of the Code described above that would characterize the transaction as an exchange (as opposed to a distribution). Amounts treated as dividends that are effectively connected with a Non-United States Holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, are attributable to a permanent establishment in the United States, are generally taxed in the manner applicable to United States Holders, as described above. In such cases, the Non-United States Holder will not have to be subject to withholding so long as such Non-United States Holder complies with applicable certification and disclosure requirements. In addition, dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty. See Section 3 "Procedures For Tendering Shares" with respect to the application of U.S. federal income tax withholding to payments made to Non-United States Holders.

Notwithstanding the foregoing, even if a Non-U.S. Holder tenders shares held in its own name as a holder of record and delivers to Monarch a validly completed IRS Form W- 8BEN, W-8BEN-E or other applicable form before any payment is made so as to avoid backup withholding, Monarch will withhold 30% of the gross proceeds unless Monarch determines that a reduced rate under an applicable income tax treaty or exemption from withholding is applicable, regardless of whether the payment is validly exempt from U.S. federal income tax to a Non-U.S. Holder under the "complete termination," "substantially disproportionate," or "not essentially equivalent to a dividend" test.

Pursuant to FATCA and the regulations promulgated thereunder, the official interpretations thereof or any intergovernmental agreement (or guidance thereunder) entered into pursuant thereto, foreign financial institutions (which include most foreign hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities must comply with information reporting rules with respect to their United States account holders and investors or be subject to a withholding tax on certain United States-source payments made to them (whether received as a beneficial owner or as an intermediary for another party). More specifically, a foreign financial institution or other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any "withholdable payments." Because we will generally treat amounts received by a Non-United States Holder with respect to our purchase of shares under the Offer as dividends, such amounts will be treated as withholdable payments and payments to a foreign financial institution or other foreign entity that does not properly establish an exemption from FATCA withholding on IRS Form W-8BEN, W-8BEN-E or other applicable form will be subject to the FATCA withholding tax. If we withhold tax under FATCA, we will not also withhold the 30% withholding tax described in the second preceding paragraph. Pursuant to recently proposed regulations, the Treasury Department has indicated its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization. As a result, a Non-United States Holder generally will not be subject to the FATCA withholding tax if such Non-United States Holder properly establishes that its sale of shares pursuant to the Offer is treated as a sale or exchange for U.S. federal income tax purposes.

Additional tax on net investment income

An additional 3.8% tax will be imposed on the "net investment income" of certain U.S. citizens and resident aliens, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes gross income from dividends and net gain from the disposition of property, such as the shares of Stock, less certain deductions. You should consult your tax advisor with respect to this additional tax.

United States Federal Income Tax Backup Withholding

See Section 3 "Procedures For Tendering Shares" with respect to the application of backup U.S. federal income tax backup withholding to any sale of shares pursuant to the Offer.

Consequences to Stockholders Who Do Not Participate in the Offer.

Stockholders who do not participate in the Offer generally will not incur any U.S. federal income tax as a result of other stockholders' exchange of shares for cash pursuant to the Offer.

THIS DISCUSSION IS GENERAL IN NATURE AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR STOCKHOLDER IN LIGHT OF THE STOCKHOLDER'S PARTICULAR CIRCUMSTANCES, OR TO CERTAIN TYPES OF STOCKHOLDERS SUBJECT TO SPECIAL TREATMENT UNDER U.S. FEDERAL INCOME TAX LAWS. YOU ARE ADVISED TO CONSULT WITH YOUR OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS.

14. Extension of the Offer; Termination; Amendment

We expressly reserve the right, in our sole discretion and subject to applicable law, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 6 shall have occurred or shall be deemed by us to have occurred, to extend the period of time the Offer is open and delay acceptance for payment of, and payment for, any shares by notifying you of such extension. We also expressly reserve the right, in our sole discretion, to terminate the Offer and reject for payment and not pay for any shares not theretofore accepted for payment or paid for, subject to applicable law, and to postpone payment for shares, upon the occurrence of any of the conditions specified in Section 6, by notifying you of such termination or postponement. Our reservation of the right to delay payment for shares that we have accepted for payment may be limited by applicable rules under the Exchange Act.

Subject to compliance with applicable law, we further reserve the right, in our sole discretion, to amend the Offer in any respect (including, without limitation, by decreasing or increasing the consideration per share offered pursuant to the Offer to stockholders or by decreasing or increasing the aggregate purchase price of shares being sought in the Offer). Amendments to the Offer may be made at any time and from time to time by notifying you of such amendments.

If we materially change the terms of the Offer or the information concerning the Offer, or if we waive a material condition of the Offer, we will extend the Offer to the extent required by applicable rules under the Exchange Act. If:

- we increase or decrease the price to be paid for shares or increase or decrease the number of shares sought in the Offer; and
- the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that notice of such an increase or decrease is first published, sent or given to stockholders in the manner specified in this Section 14,

then, in each case, the Offer will be extended so that it will remain open for a period of ten business days from and including the date that such increase or decrease is first sent or given to stockholders. For purposes of the Offer, a "*business day*" means any day other than a Saturday, Sunday or Federal holiday and consists of the time period from 12:01 a.m. through 12:00 Midnight, Central Time.

15. Fees and Expenses

We will not pay any fees or commissions to brokers, dealers or other persons for soliciting tenders of shares pursuant to the Offer. Stockholders holding shares through brokers, dealers, commercial banks, trust companies or other nominee stockholders are urged to consult the brokers, dealers or other nominee stockholders to determine whether transaction costs may apply if stockholders tender shares through the brokers, dealers or other nominee stockholders and not directly to us. We will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for customary mailing and handling expenses incurred by them in forwarding the Offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent for purposes of the Offer.

Certain officers and employees of the Company may render services in connection with the Offer but will not receive any additional compensation for such services.

16. Miscellaneous

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction within the United States where the making of the Offer or the acceptance of Shares pursuant to the Offer is not in compliance with any valid applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in that jurisdiction.

After completing the Offer, we may purchase additional shares in the open market. We may also purchase shares in private transactions, tender offers or otherwise. Any of these purchases may be on the same terms as, or on terms more or less favorable to stockholders than, the terms of the Offer. However, applicable rules under the Exchange Act generally prohibit us and our affiliates from purchasing any shares, other than through the Offer, until at least 10 business days after the expiration or termination of the Offer. Any possible future purchases by us will depend on many factors, including the market price of the shares, the results of the Offer, our business and financial position and general economic and market conditions.

We have not authorized any person to make any recommendation on our behalf as to whether you should tender or refrain from tendering your shares in the Offer or as to the price or prices at which you may choose to tender your shares in the Offer. You should rely only on the information contained in this Offer to Purchase and in the Letter of Transmittal or to documents to which we have referred you. Our delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained in this Offer to Purchase is correct as of any time other than the date of this Offer to Purchase or that there have been no changes in the information included or incorporated by reference herein or in the affairs of Monarch or any of its subsidiaries or affiliates since the date hereof. We have not authorized anyone to provide you with information or to make any representation in connection with the Offer other than the information and representations contained in this Offer to Purchase or in the Letter of Transmittal. If anyone makes any recommendation or gives any information or representation, you must not rely upon that recommendation, information or representation as having been authorized by us.

* * *

Section 2. Signature:

This form **must** be signed by the registered holder(s) exactly as their name(s) appears above or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith

<input checked="" type="checkbox"/>	Signature of Stockholder	Date	Daytime Telephone #
<input checked="" type="checkbox"/>	Signature of Stockholder	Date	Daytime Telephone #

Section 3. Form W-9 (Backup Withholding):

PLEASE COMPLETE AND SIGN THE ACCOMPANYING FORM W-9 TO CERTIFY YOUR TAXPAYER ID OR SOCIAL SECURITY NUMBER IF YOU ARE A U.S. TAXPAYER.

Please note that the Company may withhold a portion of the proceeds (currently at a 24% rate) as required by the Internal Revenue Service ("IRS") if the Taxpayer ID or Social Security Number is not properly certified on our records.

If you are a non-U.S. taxpayer, in order to establish an exemption from backup withholding, please complete and submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W8EXP, as applicable (which may be obtained on the IRS website (www.irs.gov)).

I/we understand that the tender of shares constitutes a representation and warranty to the Company that the undersigned has/have a NET LONG POSITION in the shares or other securities exercisable or exchangeable therefore and that such tender complies with Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended. I/we authorize the Company to withhold all applicable taxes and tax-related items legally payable by the undersigned.

IMPORTANT INSTRUCTION:

**YOU MUST EITHER:
CHECK ONLY ONE BOX IN SECTION 4
OR
CHECK THE BOX IN SECTION 5**

If more than one box is checked or no box is checked, your shares will not be validly tendered.

Section 4. Auction Price Tender: Price (in Dollars) per Share at Which Shares are Being Tendered:

By checking one of the following boxes below instead of the box under Section 5, "Purchase Price Tender," you are tendering shares at the price checked. This election could result in none of your shares being purchased if the purchase price selected by the Company for the shares is less than the price checked below. If you wish to tender shares at more than one price, you must complete a separate Letter of Transmittal for each price at which you tender shares. The same shares cannot be tendered at more than one price, unless previously and validly withdrawn. (See Section 3 and Section 4 of the Offer to Purchase and Instruction 4 to this Letter of Transmittal)

PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING TENDERED

CHECK ONLY ONE BOX

IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES

(Stockholders who desire to tender shares at more than one price must complete a separate Letter of Transmittal for each price at which shares are tendered.)

- | | | | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> \$60.00 | <input type="checkbox"/> \$61.00 | <input type="checkbox"/> \$62.00 | <input type="checkbox"/> \$63.00 |
| <input type="checkbox"/> \$64.00 | <input type="checkbox"/> \$65.00 | <input type="checkbox"/> \$66.00 | <input type="checkbox"/> \$67.00 |
| <input type="checkbox"/> \$68.00 | <input type="checkbox"/> \$69.00 | <input type="checkbox"/> \$70.00 | |

Section 5. Purchase Price Tender:

- By checking this one box instead of one of the price boxes under Section 4, "Auction Price Tender: Price (in Dollars) per Share at Which Shares are Being Tendered," you are tendering shares and are willing to accept the purchase price selected by the Company in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase your shares pursuant to the Offer (subject to proration). Note that this election is deemed to be a tender of shares at the minimum price under the Offer of \$60.00 per share and could cause the purchase price in the Offer to be lower and could result in the tendered shares being purchased at the minimum price under the Offer of \$60.00 per share. (See Section 3 of the Offer to Purchase and Instruction 5 to this Letter of Transmittal)

Section 6. Odd Lots:

For stockholders tendering fewer than 100 shares. As described in Section 1 of the Offer to Purchase, under certain conditions, stockholders holding a total of fewer than 100 shares may have their shares tendered at or below the Purchase Price accepted for payment before any proration of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of 100 or more shares in the aggregate, even if these holders have separate accounts or certificates representing fewer than 100 shares. If you are a stockholder that is the beneficial owner of an aggregate of fewer than 100 shares and are tendering all of such shares, please check the following box:

INSTRUCTIONS FOR COMPLETING THE LETTER OF TRANSMITTAL

- Please indicate the total number of certificated share(s) you are tendering in Section 1.
- Sign, date and include your daytime telephone number in this Letter of Transmittal in Section 2 after completing all other applicable sections and return this form in the enclosed envelope. Include the stock certificates representing your shares in the enclosed envelope as well.
- PLEASE SEE THE SECTION ENTITLED "IMPORTANT U.S. TAX INFORMATION FOR HOLDERS" AND THE ACCOMPANYING FORM W-9 AND INSTRUCTIONS THERETO TO CERTIFY YOUR TAXPAYER ID OR SOCIAL SECURITY NUMBER IF YOU ARE A U.S. TAXPAYER. Please note that the Company may withhold a portion of your proceeds (24% under current law) as required by the IRS if the Taxpayer ID or Social**

Security Number is not properly certified on our records. If you are a non-U.S. taxpayer, in order to establish an exemption from backup withholding, please complete and submit an IRS Form W-8BEN, W-8IMY (with any required attachments), W-8ECI, or W8EXP, as applicable (which may be obtained from the IRS website (www.irs.gov)).

4. **Indication of Price at which shares are being Tendered.** If you want to tender your shares at a specific price within the \$60.00 to \$70.00 range, you must properly complete the pricing section of this Letter of Transmittal, which is called "Auction Price Tender: Price (in Dollars) per Share at Which Shares are Being Tendered." You must check **ONLY ONE BOX** in the pricing section. **If more than one box is checked or no box is checked, your shares will not be validly tendered.** If you want to tender portions of your shares at more than one price, you must complete a separate Letter of Transmittal for each price at which you tender shares. However, the same shares cannot be tendered at more than one price, unless previously and validly withdrawn as provided in Section 4 of the Offer to Purchase.
5. By checking the box in Section 5 instead of one of the price boxes in Section 4, you are tendering shares and are willing to accept the Purchase Price determined by the Company in accordance with the terms of the Offer. This action will maximize the chance of having the Company purchase your shares pursuant to the Offer (subject to proration). Note that this election is deemed to be a tender of shares at the minimum price under the Offer of \$60.00 per share for purposes of determining the Purchase Price in the Offer, and could cause the purchase price in the Offer to be lower and could result in your shares being purchased at the minimum price under the Offer of \$60.00 per share. See Section 3 of the Offer to Purchase.
6. If any stock certificate representing shares that you own has been lost, stolen or destroyed, please contact Lisa Fontaine at the Company at (620) 473-2222 promptly to obtain instructions as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed. Please contact the Company immediately to permit timely processing of the replacement documentation; however there can be no assurance that a lost or destroyed certificate can be replaced prior to expiration of the Offer.
7. The Company will determine in its sole discretion the number of shares to accept, and the validity, eligibility and acceptance for payment of any tender. There is no obligation to give notice of any defects or irregularities to stockholders. See Section 3 of the Offer to Purchase for additional information.
8. If any of the shares tendered hereby are owned of record by two or more joint owners, all such persons must sign this Letter of Transmittal. If any shares tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates. If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, he or she should so indicate when signing, and proper evidence satisfactory to the Company of his or her authority to so act must be submitted with this Letter of Transmittal. Payment of the purchase price will be made, and certificates for shares not tendered or accepted for payment will be issued, only to the registered owner(s).
If this Letter of Transmittal is signed by the registered owner(s) of the shares tendered hereby, no endorsements of certificates or separate stock powers are required. If this Letter of Transmittal is signed by a person other than the registered owner(s) of the shares tendered hereby, the certificate(s) representing such shares must be properly endorsed for transfer or accompanied by appropriate stock powers, signed exactly as the name(s) of the registered owner(s) appear(s) on the certificate(s). The signature(s) on any such certificate(s) or stock power(s) must be guaranteed by an eligible institution. See Section 3 of the Offer to Purchase.
The tendering holder will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered hereby.
9. If the space provided in Section 1 above is inadequate, the certificate numbers and/or the number of shares should be listed on a separated signed schedule that should be attached hereto.
10. **Partial Tenders.** If fewer than all the shares represented by any certificate submitted to the Company are to be tendered, fill in the number of shares that are to be tendered in Section 1. In that case, if any tendered shares are purchased, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) will be sent to the registered holder(s) promptly after the acceptance for payment of, and payment for, the shares tendered herewith. All shares represented by certificates delivered to the Company will be deemed to have been tendered unless otherwise indicated.
11. In participating in the Offer, the tendering stockholder acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer to Purchase; (2) the tendering stockholder is voluntarily participating in the Offer; (3) the future value of the shares is unknown and cannot be predicted with certainty; (4) the tendering stockholder has received the Offer to Purchase and the Letter of Transmittal, as amended or supplemented; (5) any foreign exchange obligations triggered by the tendering stockholder's tender of shares or the receipt of proceeds are solely his or her responsibility; and (6) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance tax, transfer tax or other tax-related items ("*Tax Items*") related to the Offer and the disposition of shares, the tendering stockholder acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the tendering stockholder authorizes the Company to withhold all applicable Tax Items that the withholding agent is legally required to withhold. The tendering stockholder consents to the collection, use and transfer, in electronic or other form, of the tendering stockholder's personal data as described in this document by and among, as applicable, the Company, its subsidiaries, and third party administrators for the exclusive purpose of implementing, administering and managing his or her participation in the Offer. No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal and legal representatives, administrators, trustees in bankruptcy, successors and assigns of the undersigned.

IMPORTANT U.S. TAX INFORMATION FOR HOLDERS

This is a summary only of certain U.S. federal income tax considerations. Stockholders should consult with their own tax advisors regarding the tax consequences with respect to their particular circumstances.

In order to avoid backup withholding of U.S. federal income tax on payments pursuant to the Offer, a U.S. stockholder tendering shares must, unless an exemption applies, provide the Company with such stockholder's correct taxpayer identification number ("*TIN*"), certify under penalties of perjury that such TIN is correct (or that such stockholder is waiting for a TIN to be issued), and provide certain other certifications by completing the IRS Form W-9 included in this Letter of Transmittal. If a stockholder does not provide his, her or its correct TIN or fails to provide the required certifications, the IRS may impose certain penalties on such stockholder and payment to such stockholder pursuant to the Offer may be subject to backup withholding at a rate currently equal to 24%. All U.S. stockholders tendering shares pursuant to the Offer should complete and sign the IRS Form W-9 to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Company).

Backup withholding is not an additional tax. Rather, the amount of the backup withholding may be credited against the U.S. federal income tax liability of the person subject to the backup withholding. If backup withholding results in an overpayment of tax, a refund can be obtained by the stockholder by timely providing the required information to the IRS.

If the stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future, then the stockholder should write "Applied For" in the space for the TIN in Part I of the IRS Form W-9 and should sign and date the IRS Form W-9. If the Company has not been provided with a properly certified TIN by the time of payment, backup withholding will apply. If the shares are held in more than one name or are not in the name of the actual owner, consult the instructions on the enclosed IRS Form W-9 for additional guidance on which name and TIN to report.

Certain stockholders (including, among others, corporations, individual retirement accounts and certain foreign individuals and entities) are not subject to backup withholding but may be required to provide evidence of their exemption from backup withholding. Exempt U.S. stockholders should check the "Exempt payee" box on the IRS Form W-9. See the enclosed IRS Form W-9 for more instructions.

Non-U.S. stockholders, such as non-resident alien individuals and foreign entities, including a disregarded U.S. domestic entity that has a foreign owner, should not complete an IRS Form W-9. Instead, to establish an exemption from backup withholding, a non-U.S. stockholder (or a stockholder's non-U.S. designee, if any) should properly complete and submit an IRS Form W-8BEN, W-8BEN-E, W-8IMY (with any required attachments), W-8ECI, or W-8EXP, as applicable, signed under penalties of perjury, attesting to such exempt status (which may be obtained on the IRS website (www.irs.gov)). The Company or other withholding agent will generally withhold tax at a 30% rate (subject to certain exceptions) on payments made to non-U.S. stockholders pursuant to the Offer. See Sections 3 and 13 of the Offer to Purchase.

Stockholders are urged to consult their own tax advisors to determine whether they are exempt from these backup withholding and reporting requirements.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions.

You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.