

AMES NATIONAL CORP
Form DEF 14A
March 19, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
 o Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 x Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material under Rule 14a-12

AMES NATIONAL CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

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- x No fee required.
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(1) Amount Previously Paid:

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(4) Date Filed:

March 19, 2012

Dear Shareholder:

You are invited to attend the 2012 Annual Meeting of Shareholders of Ames National Corporation to be held Wednesday, April 25, 2012, at Reiman Gardens, 1407 University Boulevard, Ames, Iowa. Registration begins at 4:00 p.m., with the Annual Meeting to commence at 4:30 p.m. Enclosed are the Notice of Annual Meeting of Shareholders, Proxy Statement, Proxy Card and 2011 Annual Report to Shareholders.

The Board of Directors of the Company presently consists of eleven directors, five of whose terms of service will expire at the Annual Meeting. Those five directors whose terms are expiring have been nominated to stand for re-election to the Board of Directors. You will also be asked to vote on the ratification of the appointment of CliftonLarsonAllen LLP as the Company's independent registered public accounting firm for 2012.

The Annual Meeting will also provide management with the opportunity to report on the operations and activities of the Company and will give shareholders time to ask questions.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, the Board of Directors encourages you to mark, sign, date and return your Proxy Card as soon as possible in the enclosed postage-paid envelope. If you prefer, you can submit your proxy via the Internet by following the instructions on the Proxy Card. Returning the Proxy Card or submitting your proxy via the Internet will not prevent you from voting in person at the Annual Meeting, but will assure that your vote is counted if you are unable to attend.

On behalf of the Boards of Directors, officers and staff of Ames National Corporation, Boone Bank & Trust Co., First National Bank, Randall-Story State Bank, State Bank & Trust Co. and United Bank & Trust NA, we thank you for your continued support and look forward to visiting with you at the Annual Meeting.

Sincerely,

/s/ Douglas C. Gustafson

Douglas C. Gustafson
Chairman

5th & Burnett PO Box 846 Ames, IA 50010
Tel 515.232.6251 Fax 515.663.3033

AMES NATIONAL CORPORATION

405 5th Street
Ames, Iowa 50010

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 25, 2012

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Ames National Corporation, an Iowa corporation (the "Company"), will be held on Wednesday, April 25, 2012, at 4:30 p.m., local time, at Reiman Gardens, 1407 University Boulevard, Ames, Iowa, and at any adjournment or postponement thereof (the "Meeting"), for the following purposes:

1. To elect five members of the Board of Directors, four of whom will serve for a three-year term and one of whom will serve for a one-year term.
2. To ratify the appointment of CliftonLarsonAllen LLP as the Company's independent registered public accounting firm for 2012.
3. To consider such other business as may properly be brought before the Meeting.

The Board of Directors has set the close of business on March 16, 2012, as the record date for the determination of those shareholders entitled to notice of and to vote at the Meeting. Accordingly, only shareholders of record at the close of business on that date will be entitled to vote at the Meeting.

Important Notice Regarding Availability of
Proxy Materials for the Meeting to be held on April 25, 2012

Under rules issued by the Securities and Exchange Commission, the Company is providing access to the proxy materials for the Meeting both by sending you this full set of proxy materials, including the proxy card, and by notifying you of the availability of the proxy materials on the Company's website on the Internet. The Proxy Statement and the Annual Report to Shareholders are available at www.amesnational.com.

TO ENSURE YOUR REPRESENTATION AT THE MEETING, THE BOARD OF DIRECTORS REQUESTS THAT YOU MARK, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED ENVELOPE OR, IN THE ALTERNATIVE, SUBMIT YOUR PROXY VIA THE INTERNET BY FOLLOWING THE INSTRUCTIONS SET FORTH ON THE PROXY CARD. YOUR PROXY MAY BE REVOKED AT ANY TIME BEFORE IT IS EXERCISED AND, IF YOU ARE ABLE TO ATTEND THE MEETING AND WISH TO VOTE YOUR SHARES IN PERSON, YOU MAY REVOKE YOUR PROXY AND DO SO.

By Order of the Board of Directors

/s/ John P. Nelson

March 19, 2012
Ames, Iowa

John P. Nelson
Vice President and Secretary

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AMES NATIONAL CORPORATION

405 5th Street
Ames, Iowa 50010

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

To Be Held on April 25, 2012

This Proxy Statement is furnished to the shareholders of Ames National Corporation, an Iowa corporation (the “Company”), in connection with the solicitation of proxies by the Board of Directors of the Company (the “Board”) for use at the Annual Meeting of Shareholders to be held Wednesday, April 25, 2012, at 4:30 p.m., local time, at Reiman Gardens, 1407 University Boulevard, Ames, Iowa, and at any adjournment or postponement thereof (the “Meeting”). This Proxy Statement and the enclosed proxy card are first being sent to the shareholders of the Company entitled thereto on or about March 19, 2012.

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

Why did I receive these materials from the Company?

The Board is soliciting your proxy to vote at the Meeting because you were a shareholder of record of the Company at the close of business on March 16, 2012, (the “Record Date”). As a shareholder of record on the Record Date, you are entitled to vote at the Meeting. You are invited to attend the Meeting and vote your shares on the proposals described in this Proxy Statement, including the election of directors to the Board.

What is included in these materials?

The materials sent to you by the Company include (i) this Proxy Statement containing information about the Meeting, (ii) the 2011 Annual Report to Shareholders, which includes the Company’s audited consolidated financial statements, and (iii) a proxy card which can be completed and returned to the Company by mail to vote your shares. As described below, you may choose to submit your vote through the Internet instead of returning the proxy card by mail.

What information is contained in this Proxy Statement?

The information included in this Proxy Statement relates to the proposals to be voted on at the Meeting, the voting process, the compensation of directors and executive officers and certain other required information.

What am I being requested to vote on at the Meeting?

There are two proposals to be voted on at the Meeting:

- Proposal 1 - To elect four directors to the Board for a three-year term and one director to the Board for a one-year term. The nominees for a three-year term are Robert L. Cramer, Steven D. Forth, James R. Larson II and Warren R. Madden, each of whom is currently serving as a director of the Company and is standing for re-election to the Board. The nominee for a one-year term is David W. Benson, who was appointed to fill the vacancy created by the death of former director Marvin J. Walter and whose appointment expires at the Meeting. In order to maintain consistency with the term of service to which Mr. Walter was originally elected (and which was scheduled to expire in 2013), Mr. Benson is being nominated for a one-year term that will expire at the annual meeting to be held in 2013.

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- Proposal 2 - To ratify the appointment of CliftonLarsonAllen LLP as the Company's independent registered public accounting firm for 2012. CliftonLarsonAllen LLP was appointed by the Audit Committee of the Board, and the Board is requesting that the shareholders ratify this selection.

What are my choices when voting?

Depending on the proposal, you have a choice when voting as follows:

- Proposal 1 - With respect to the election of directors, your vote may be cast "FOR" one or more of the nominees or your vote may be "VOTE WITHHELD" with respect to one or more of the nominees.
- Proposal 2 - With respect to the ratification of the appointment of the independent registered public accounting firm, your vote may be cast "FOR" or "AGAINST" such proposal, or you may choose to "ABSTAIN" from voting on the proposal.

Does the Board have a recommendation for voting?

The Board unanimously recommends you vote your shares as follows:

- Proposal 1 - "FOR" each of the persons nominated for election to the Board.
- Proposal 2 - "FOR" ratification of the appointment of the Company's independent registered public accounting firm.

What are the voting requirements for the proposals at the Meeting?

The vote required to approve each of the proposals to be acted on at the Meeting is set forth below for each proposal under the heading "PROPOSALS TO BE VOTED ON AT MEETING."

What is the quorum requirement for the Meeting?

A majority of the outstanding shares entitled to vote, present at the Meeting in person or represented by proxy, constitutes a quorum for the Meeting. On the Record Date there were 9,310,913 shares of the Company's common stock (the "Common Stock") outstanding, all of which will be entitled to vote at the Meeting. Shares represented at the Meeting which abstain from voting on any proposal will be counted toward determining the presence of a quorum. Broker non-votes will also be counted toward determining the presence of a quorum (see "What is the effect of broker non-votes?" below).

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What shares can I vote?

You are entitled to cast one vote for each share of Common Stock you owned on the Record Date. These include shares held directly in your name as a shareholder of record and shares held for you as a beneficial owner through a stockbroker, bank or other nominee or in your account in the Company 401(k) Profit Sharing Plan.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

Many shareholders of the Company hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As described below, there are some differences between shares held of record and shares beneficially owned when determining how to vote your shares at the Meeting.

Shareholder of Record

If your shares are registered directly in your name with the Company's transfer agent, you are considered to be the "shareholder of record" with respect to those shares, and these proxy materials are being sent to you directly by the Company. As the shareholder of record, you have the right to vote in person at the Meeting or to grant your voting proxy directly to the persons named in the proxy card (who will vote your shares on your behalf at the Meeting). You can vote your shares by proxy by completing and returning the proxy card included with these materials or by submitting your proxy via the Internet as described below under "How can I vote my shares without attending the Meeting?".

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by your stockbroker, bank or other nominee who is considered to be the shareholder of record with respect to those shares. As the beneficial owner, you have the right to direct your stockbroker, bank or other nominee on how to vote your shares at the Meeting. As beneficial owner, you are also invited to attend the Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the Meeting. Your stockbroker, bank or other nominee has enclosed a voting instruction card for you to use in directing them how to vote your shares and you should complete and return that card as directed by your stockbroker, bank or other nominee.

How can I vote my shares in person at the Meeting?

Shares held directly in your name as the shareholder of record may be voted by you in person at the Meeting. Even if you plan to attend the Meeting, the Company recommends you vote your shares in advance, as described below so that your vote will be counted if you later decide not to attend the Meeting. Shares held in "street name," of which you are the beneficial owner, may be voted by you in person only if you obtain a signed proxy from the stockbroker, bank or other nominee that is the shareholder of record giving you the right to vote the shares at the Meeting.

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How can I vote my shares without attending the Meeting?

Shareholder of Record

If you are the shareholder of record with respect to your shares, you can vote your shares without attending the Meeting by submitting your proxy through either of the following methods:

- By Mail – Complete, sign and date the proxy card and return it to the Company in the enclosed postage prepaid envelope.
- By Internet – Follow the instructions on the proxy card to submit your proxy via the Internet. The instructions require that you enter a unique voter control number (found on the proxy card) designed to verify that you have authorized the submission of your proxy via the Internet. Submission of a proxy via the Internet authorizes the named proxies to vote your shares to the same extent as if you marked, signed and submitted a proxy card by mail.

If your proxy is submitted by mail or via the Internet (and your proxy is not later revoked), your shares will be voted in accordance with your instructions as indicated in the proxy. If, however, you do not indicate the manner in which your shares should be voted in your proxy, your shares will be voted in accordance with the recommendations of the Board as set forth above under “Does the Board have a recommendation for voting?”.

Beneficial Owner

If you are the beneficial owner of your shares, you can vote your shares without attending the Meeting by following the directions contained in the voting instruction card sent to you by your stockbroker, bank or other nominee. Typically, voting instruction cards allow you to direct the voting of your shares by returning the voting instruction card by mail or by submitting your directions via the Internet or by telephone. Your stockbroker, bank or other nominee is required to vote your shares according to the directions you have given.

Can I revoke my proxy or change my vote?

Shareholder of Record

If you are the shareholder of record of your shares, you may revoke your proxy at any time prior to the vote at the Meeting. Your proxy may be revoked through any of the following methods:

- By sending a written revocation of your proxy to the attention of the Secretary of the Company at the Company’s principal executive office located at P.O. Box 846, 405 5th Street, Ames, IA 50010, Attn: Secretary.
 - By submitting to the Company by mail a signed proxy card bearing a later date.
 - By submitting a new proxy via the Internet.
- By attending the Meeting in person, requesting your proxy be withdrawn and voting your shares in person. Attendance at the Meeting without voting in person, however, will not serve as a revocation of a proxy.

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Beneficial Owner

If you are the beneficial owner of your shares, you may revoke or change your voting instructions prior to the Meeting. To do so, you should contact your stockbroker, bank or other nominee who is the shareholder of record of your shares and obtain directions as to how you can revoke or change the voting instructions you have previously given.

What is the effect of “broker non-votes”?

If your broker holds your shares in its name and you have not provided voting instructions for your shares, your broker, in its discretion, may either leave your shares unvoted or vote your shares on certain “routine” matters. Of the matters to be voted on at the Meeting, only Proposal 2 (ratifying the appointment of the Company’s independent registered public accounting firm) is considered a routine matter on which your broker would have discretionary voting authority. Proposal 1 (the election of directors) is considered a “non-routine” matter, for which your broker does not have discretionary voting authority. If your broker returns a proxy card but does not have discretionary authority to vote your shares, this results in a “broker non-vote.” Broker non-votes will be counted as present for the purpose of determining a quorum at the Meeting.

Proposal 1 (election of directors) is considered a “non-routine” matter and, without your instruction, your broker cannot vote your shares on this proposal. Because brokers do not have discretionary authority to vote on this proposal, broker non-votes will not be counted for purposes of determining the number of votes cast on this proposal and will not affect the outcome of this matter. Proposal 2 (ratification of the independent registered public accounting firm) is considered a "routine" matter and your broker can vote your shares on this proposal even though you have not provided voting instructions for your shares. Because brokers have discretionary authority to vote on this proposal, broker non-votes will be counted for purposes of determining the number of votes cast on this proposal and will affect the outcome of this matter.

Who will count the votes?

The Board has appointed an inspector of election who will be responsible for tabulating the votes by proxy, counting the votes cast in person at the Meeting and announcing the results of voting at the Meeting.

Who will pay the expenses of soliciting proxies for the Meeting and how will proxies be solicited?

The Company will pay all expenses associated with soliciting proxies for the Meeting. In addition to sending these proxy materials by mail, proxies may be solicited by officers, directors and regular employees of the Company, without extra compensation, by telephone, facsimile, personal contact or electronic means. To assist the Company in limiting its expenses in connection with the Meeting, you are requested to promptly return a signed proxy card by mail or submit your proxy via the Internet, even if you plan to attend the Meeting.

How can I obtain directions to attend the Meeting?

The meeting will be held at Reiman Gardens in Ames, Iowa. To obtain directions to this location, please contact Lori Hill at (515) 663-3059.

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CORPORATE GOVERNANCE

Board of Directors

The Board consists of eleven directors elected on a staggered basis, with each director elected to a three-year term of service (except where a shorter term may be necessary to preserve the classification of the directors). Each director (with the exception of Dr. Douglas C. Gustafson, Chairman of the Company, and Thomas H. Pohlman, the President and Chief Executive Officer of the Company) also serves on one or more of the three standing committees (Audit, Compensation and Nominating) established by the Board. The following table lists each director currently serving on the Board, the director's term of service and the committee(s) to which the director is currently appointed.

Name of Director	Term(1)	Audit Committee	Compensation Committee	Nominating Committee
Betty A. Baudler Horras	2014	X		X
David W. Benson(2)	2012			X
Robert L. Cramer	2012	X		
Steven D. Forth	2012			X
Douglas C. Gustafson, DVM	2014			
Charles D. Jons, MD	2014		X	X
James R. Larson II	2012	X	X	
Warren R. Madden	2012	X		
Thomas H. Pohlman	2014			
Larry A. Raymon	2013		X	
Frederick C. Samuelson	2013		X	X

Notes:

- (1) A director's term of service expires at the annual meeting of shareholders to be held in the year indicated for each director.
- (2) Mr. Benson was appointed to the Board in June of 2011 to fill the vacancy created by the death of former director Marvin J. Walter. Although Mr. Walter's term of service was not scheduled to expire until the annual meeting of shareholders to be held in 2013, Mr. Benson's appointment, consistent with Iowa law, expires in 2012.

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Director Independence

The Common Stock is listed and traded on the NASDAQ Capital Market. The corporate governance rules of the NASDAQ Capital Market require that a majority of the Board consist of directors who are "independent" of the Company. The Board has determined each of the directors and nominees for director qualify as "independent" under the NASDAQ standards for determining independence, with the exception of Mr. Pohlman who does not qualify as an independent director as a result of his employment relationship with the Company.

Meetings

The Board holds regular quarterly meetings and held four such meetings during 2011. The Board also held two special meetings during 2011. During 2011, each director of the Company attended at least 75% of all meetings of the Board and meetings of committees to which such director was appointed.