

AMES NATIONAL CORP  
Form DEF 14A  
March 18, 2011

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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   
Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- 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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- No fee required.
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March 18, 2011

Dear Shareholder:

You are invited to attend the 2011 Annual Meeting of Shareholders of Ames National Corporation to be held Wednesday, April 27, 2011, 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 2010 Annual Report to Shareholders.

The Board of Directors of the Company presently consists of eleven directors, four of whose terms of service will expire at the Annual Meeting. The four directors whose terms are expiring have been nominated by the Board of Directors to stand for re-election to a three-year term. You will also be asked to vote on the ratification of the appointment of Clifton Gunderson LLP as the Company's independent registered public accounting firm for 2011, several matters related to the compensation of the Company's executive officers and a shareholder proposal regarding the process for electing the Company's directors.

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/ Marvin J. Walter  
Marvin J. Walter  
Chairman

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

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AMES NATIONAL CORPORATION

405 Fifth Street  
Ames, Iowa 50010

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 27, 2011

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 27, 2011, 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 four members of the Board of Directors.
2. To ratify the appointment of Clifton Gunderson LLP as the Company's independent registered public accounting firm for 2011.
3. To hold an advisory vote to approve the compensation of the Company's named executive officers for 2010, as disclosed in this Proxy Statement.
4. To hold an advisory vote on the frequency of future shareholder advisory votes for approval of executive compensation.
5. To act on a shareholder proposal, if properly presented at the Meeting, requesting the Board of Directors to initiate the process required to provide for the election of all the Company's directors on an annual basis.
6. 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, 2011, 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 27, 2011

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](http://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

John P. Nelson

Vice President and Secretary

March 18, 2011

Ames, Iowa

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AMES NATIONAL CORPORATION  
405 Fifth Street  
Ames, Iowa 50010

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS

To Be Held on April 27, 2011

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 27, 2011, 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 18, 2011.

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, 2011, (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 2010 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.

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

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

- Proposal 1 - To elect four directors to the Board for a three-year term. The nominees are Betty A. Baudler Horras, Douglas C. Gustafson, DVM, Charles D. Jons, MD and Thomas H. Pohlman, each of whom is currently serving as a director of the Company and is standing for re-election to the Board.
- Proposal 2 - To ratify the appointment of Clifton Gunderson LLP as the Company's independent registered public accounting firm for 2011. Clifton Gunderson LLP was appointed by the Audit Committee of the Board, and the Board is requesting that the shareholders ratify this selection.
- Proposal 3 - To hold an advisory vote to approve the compensation of the Company's named executive officers for 2010 as disclosed in this Proxy Statement.
- Proposal 4 - To hold an advisory vote on whether future shareholder advisory votes for approval of executive compensation should be held every one, two or three years.
- Proposal 5 - To act on a shareholder proposal, if properly presented at the Meeting, which requests the Board to initiate the process required to eliminate the current classified structure of the Board (under which approximately one-third of the directors are elected at each annual meeting for a term of three years), with the result that all of the Company's directors would be elected on an annual basis.

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 4 - With respect to the frequency of future shareholder advisory votes to approve executive compensation, you may select "1 YEAR," "2 YEARS" or "3 YEARS," or you may choose to "ABSTAIN" from voting on this proposal.
- Proposals 2, 3 and 5 - With respect to each of the other proposals to be voted on, your vote may be cast "FOR" or "AGAINST" such proposal, or you may choose to "ABSTAIN" from voting on the proposal.



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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.
- Proposal 3 - “FOR” approval of the compensation of the Company’s named executive officers for 2010 as disclosed in this Proxy Statement.
- Proposal 4 - “3 YEARS” as the frequency of future shareholder advisory votes to approve executive compensation.
- Proposal 5 - “AGAINST” the shareholder proposal requesting the Board to initiate the process required to eliminate the classified structure of the Board and provide for the election of all the directors on an annual basis.

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 9,432,915 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).

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.

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### 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 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 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 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 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 nominee that is the shareholder of record giving you the right to vote the shares at the Meeting.

### 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.

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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 voter 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 Fifth 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.

### 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 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.”

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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. The other proposals to be voted on the Meeting are considered “non-routine” matters, for which your broker does not have discretionary voting authority. If your broker returns a proxy card but does not 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. Proposals 1 (election of directors), 3 (approval of the compensation of the Company’s named executive officers), 4 (frequency of future shareholder votes to approve executive compensation) and 5 (shareholder proposal) are considered “non-routine” matters and, without your instruction, your broker cannot vote your shares on these proposals. Because brokers do not have discretionary authority to vote on these proposals, broker non-votes will not be counted for purposes of determining the number of votes cast on these proposals and will not affect the outcome of these matters.

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. Each director (with the exception of 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	2011	X		
Robert L. Cramer	2012	X		
Steven D. Forth	2012			X
Douglas C. Gustafson, DVM	2011		X	X
Charles D. Jons, MD	2011		X	X
James R. Larson II	2012	X	X	
Warren R. Madden	2012	X		
Thomas H. Pohlman	2011			
Larry A. Raymon	2013		X	
Frederick C. Samuelson	2013			