

AMES NATIONAL CORP  
Form DEF 14A  
March 17, 2016  
Table Of Contents

**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  [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement
- [ ] Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [x] 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)

Payment of Filing Fee (Check the appropriate box):

- [x] No fee required.
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

---

[ Fee paid previously with preliminary materials.

] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---

Table Of Contents

March 17, 2016

Dear Shareholder:

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of Ames National Corporation (“Company”) to be held Wednesday, April 27, 2016, 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.

In connection with the Annual Meeting, we have prepared a Notice of Annual Meeting of Shareholders, a Proxy Statement and our 2015 Annual Report on Form 10-K. On or about March 17, 2016, we began mailing to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access these materials online at the Company’s website.

Two proposals will be voted upon at the Annual Meeting, consisting of the election of directors and the ratification of the appointment of the Company’s independent registered public accounting firm.

The Board of Directors of the Company presently consists of ten directors, four of whose terms of service will expire at the Annual Meeting. Three of 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. Director Larry A. Raymon will not stand for re-election as he has reached the mandatory retirement age for directors as established by Company policy. One individual who has not previously served as director has been nominated for election at the Annual Meeting. Consequently, you will be asked to vote on the election of four members of 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 2016.

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 submit your proxy via the Internet or to mark, sign, and return the proxy card if you have requested to receive printed annual meeting information the Company will be mailing on or around March 17, 2016. If you submit your proxy via the Internet, the web address is [www.amesnational.com](http://www.amesnational.com) and you should use the identification numbers indicated on the Notice of Internet Availability of Proxy Materials. Submitting your proxy via the Internet or returning the proxy card 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, Reliance 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

---

Table Of Contents

**AMES NATIONAL CORPORATION**

**405 5th Street**

**Ames, Iowa 50010**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**April 27, 2016**

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, 2016, 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, who will serve for a three-year term.
2. To ratify the appointment of CliftonLarsonAllen LLP as the Company’s independent registered public accounting firm for 2016.
3. To consider such other business as may properly be brought before the Meeting.

**Important Notice Regarding the Internet Availability of**

**Proxy Materials for the Meeting to be held on April 27, 2016**

The Company is mailing to its shareholders a Notice of Internet Availability of Proxy Materials (“Notice of Availability”), rather than mailing a paper copy of the proxy materials. The Notice of Availability contains instructions on how to access the proxy materials on the Internet, as well as instructions for obtaining a paper copy. Any shareholder who requests to receive a paper copy of the proxy materials will receive a full set of paper proxy materials by U.S. mail. This process will reduce the Company’s costs to print and distribute its proxy materials.

Edgar Filing: AMES NATIONAL CORP - Form DEF 14A

You may vote if you are a shareholder of record on March 4, 2016. It is important that your shares be represented and voted at the Meeting. The Board of Directors recommends that you vote your shares FOR election of its nominees as directors and FOR ratification of the appointment of the independent public accounting firm. Please vote in one of the following ways:

- VISIT [WWW.AMESNATIONAL.COM](http://WWW.AMESNATIONAL.COM) TO VIEW THE PROXY MATERIALS AND VOTE VIA THE INTERNET, using the identification numbers indicated on the Notice of Availability or proxy card mailed to you;
- MARK, SIGN, DATE AND PROMPTLY RETURN THE PROXY CARD if you have requested to receive a paper copy of the proxy materials that will be mailed on or about March 17, 2016; or
- VOTE BY WRITTEN BALLOT at the Meeting.

By Order of the Board of Directors

March 17, 2016  
Ames, Iowa

John P. Nelson  
Vice President and Secretary

---

Table Of Contents

**TABLE OF CONTENTS**

	<u>Page</u>
<u>GENERAL INFORMATION ABOUT THE MEETING AND VOTING</u>	1
<u>CORPORATE GOVERNANCE</u>	6
<u>Board of Directors</u>	6
<u>Director Independence</u>	7
<u>Meetings</u>	7
<u>Board Committees</u>	7
<u>Nominations for Directors</u>	8
<u>Leadership Structure</u>	9
<u>Risk Oversight</u>	9
<u>Shareholder Communications</u>	10
<u>Director Attendance at Annual Meetings</u>	10
<u>Director Compensation for 2015</u>	10
<u>PROPOSALS TO BE VOTED ON AT MEETING</u>	12
<u>Proposal 1 – Election of Directors</u>	12
<u>Proposal 2 – Ratification of Appointment of Public Accounting Firm</u>	15
<u>SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS</u>	16
<u>Directors and Named Executive Officers</u>	16
<u>Other Beneficial Owners</u>	18
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	18
<u>EXECUTIVE COMPENSATION</u>	19
<u>Compensation Discussion and Analysis</u>	19
<u>Compensation Committee Procedures for 2015</u>	25
<u>Summary Compensation Table for 2015</u>	26
<u>Grants of Plan-Based Awards Table for 2015</u>	28
<u>Compensation Committee Report</u>	29
<u>Compensation Committee Interlocks and Insider Participation</u>	29
<u>LOANS TO DIRECTORS AND EXECUTIVE OFFICERS AND RELATED PARTY TRANSACTIONS</u>	29
<u>REPORT OF THE AUDIT COMMITTEE</u>	30
<u>RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	30
<u>PROPOSALS BY SHAREHOLDERS</u>	31
<u>AVAILABILITY OF FORM 10-K REPORT</u>	31

OTHER MATTERS

Table Of Contents

**AMES NATIONAL CORPORATION**

**405 5th Street**

**Ames, Iowa 50010**

**PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held on April 27, 2016**

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, 2016, at 4:30 p.m., local time, at Reiman Gardens, 1407 University Boulevard, Ames, Iowa, and at any adjournment or postponement thereof (the “Meeting”). The Notice of Internet Availability of Proxy Materials (“Notice of Availability”) and the Notice of Annual Meeting of Shareholders are being mailed to the shareholders on or about March 17, 2016. If you have requested to receive a paper copy of the proxy materials, those materials (including a proxy card and return envelope) will also be mailed on or about March 17, 2016.

**GENERAL INFORMATION ABOUT THE MEETING AND VOTING**

**Why is the Company making these materials available to me?**

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 4, 2016 (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 made available to you by the Company include (i) this Proxy Statement containing information about the Meeting, (ii) the 2015 Annual Report on Form 10-K, which includes the Company's audited consolidated financial statements, and (iii) a proxy card (if you have requested a paper copy of the proxy materials) that 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.

**Where do I obtain these materials?**

The Company has elected to take advantage of the Securities and Exchange Commission's rule that allows it to furnish proxy materials to you online at its Internet website. The Company believes electronic delivery will expedite shareholders' receipt of materials and lower costs by reducing printing and mailing of paper copies of the materials. On or about March 17, 2016, the Company mailed to its shareholders a Notice of Availability containing instructions on how to access the proxy materials online. You will not receive a paper copy of the proxy materials unless you specifically request them by following the instructions in the Notice of Availability.

Table Of Contents

**How do I receive a paper copy of the materials?**

You can obtain a paper copy of the proxy materials by following the instructions in the Notice of Availability on how to receive a paper copy of the materials through the 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 Company's corporate governance, 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, with each director to serve for a three-year term. The nominees are David W. Benson, John P. Nelson and Richard O. Parker, each of whom is currently serving as a director of the Company and is standing for re-election to the Board, and Kevin L. Swartz, who has not previously served as a director.

Proposal 2 - To ratify the appointment of CliftonLarsonAllen LLP as the Company's independent registered public accounting firm for 2016. CliftonLarsonAllen LLP was appointed by the Audit Committee of the Board, and the Board is requesting that the shareholders ratify this appointment.

**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.**”

Table Of Contents

**What is the quorum requirement for the Meeting?**

A majority of the outstanding shares of the Company's common stock (the "Common Stock"), 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 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. Proxies containing 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.

**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 made available to you 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 submitting your proxy via the Internet or, if you have requested a paper copy of the proxy materials, by proxy by completing and returning the proxy card 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 made available to you by your stockbroker, bank or other nominee who is considered to be the shareholder of record with respect to those shares. Your stockbroker, bank or other nominee has enclosed a voting instruction card for you to use in directing it how to vote your shares and you should complete and return that card as directed by your stockbroker, bank or other nominee. 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 unless you obtain a proxy signed by the shareholder of record of your shares.

Table Of Contents

**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.

**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 Internet – You can vote via the Internet at [www.amesnational.com](http://www.amesnational.com). Your identification numbers for Internet voting are on the Notice of Availability or the proxy card mailed to you, and voting is available 24 hours a day. Those numbers can also be found on your proxy card if you requested a paper copy of the proxy materials.

By Mail – Complete, sign and date the proxy card that will be mailed to you on or about March 17, 2016 if you have requested a paper copy of the proxy materials. Return it to the Company in the postage prepaid envelope that will be included in the mailing.

If your proxy is submitted via the Internet or mail (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.

Table Of Contents

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 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 may choose to either leave your shares unvoted or vote your shares on certain “routine” matters on which the broker is deemed to have discretionary voting authority. 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 (election of directors) is considered a “non-routine” matter and, without your instructions, your broker cannot vote your shares on this proposal. If your broker returns a proxy card but does not have discretionary authority to vote your shares, this results in a so-called “broker non-vote” with respect to the “non-routine matter”. Broker non-votes will be counted as present for the purpose of determining a quorum at the Meeting. However, because brokers do not have discretionary authority to vote on Proposal 1 (election of directors), broker non-votes will not be counted for purposes of determining the number of votes cast on Proposal 1 and will not affect the outcome of the vote for the election of directors. Because, Proposal 2 (ratification of the independent public accounting firm) is considered a “routine” matter, your broker can vote your shares on this proposal even though you have not provided voting instructions for your shares. Since brokers have discretionary authority to vote on Proposal 2, shares voted in this manner will be counted for purposes of determining the number of votes cast on this proposal and will affect the outcome of this vote.

**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 making these proxy materials available on-line and mailing a paper copy of the materials to those shareholders who request them, 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 submit your proxy via the Internet or return a signed proxy card by mail, even if you plan to attend the Meeting.

Table Of Contents**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.

**CORPORATE GOVERNANCE****Board of Directors**

The Board currently consists of ten directors separated into three classes elected on a staggered basis, with each director serving a term of three years. Each director (with the exception of Dr. Douglas C. Gustafson, Chairman of the Company, Thomas H. Pohlman, President and Chief Executive Officer of the Company, and John P. Nelson, Vice President and Chief Financial 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 <sup>(1)</sup>	Audit Compensation Nominating		
		Committee	Committee	Committee
Betty A. Baudler Horras	2017	X		X
David W. Benson	2016		X	X
Lisa M. Eslinger	2018	X		
Steven D. Forth	2018		X	X

Douglas C. Gustafson, DVM 2017

James R. Larson II	2018	X	X	
John P. Nelson	2016			
Richard O. Parker	2016			X
Thomas H. Pohlman	2017			
Larry A. Raymon	2016	X	X	

Note:

(1) A director's term of service expires at the annual meeting of shareholders to be held in the year indicated for each director.

Table Of Contents