

LANDMARK BANCORP INC  
Form DEF 14A  
April 18, 2012

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**SCHEDULE 14A**

**(RULE 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934 (Amendment No. \_\_\_\_\_)**

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 Pursuant to §240.14a-12

Landmark Bancorp, Inc.

(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):

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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**LANDMARK BANCORP, INC.**

**701 Poyntz Avenue**

**Manhattan, Kansas 66502**

**(785) 565-2000**

April 18, 2012

Dear Stockholder:

On behalf of the board of directors and management of Landmark Bancorp, Inc., we cordially invite you to attend our annual meeting of stockholders, to be held at 2:00 p.m. on Wednesday, May 23, 2012, at the Kansas State University Alumni Center, 17<sup>th</sup> and Anderson Avenue, Manhattan, Kansas. The accompanying notice of annual meeting of stockholders and proxy statement discuss the business to be conducted at the meeting. At the meeting we will also report on our operations and the outlook for the year ahead.

We have nominated two persons to serve as Class II directors. Each of the nominees is an incumbent director. Additionally, our Audit Committee has selected, and we recommend that you ratify, the appointment of KPMG LLP to continue as our independent registered public accounting firm for the year ending December 31, 2012.

We encourage you to attend the meeting in person. **Whether or not you plan to attend, however, please complete, sign and date the enclosed proxy and return it in the accompanying postage-paid return envelope as promptly as possible.** This will ensure that your shares are represented at the meeting.

We look forward with pleasure to seeing and visiting with you at the meeting.

Very truly yours,

LANDMARK BANCORP, INC.

/s/ Patrick L. Alexander

Patrick L. Alexander  
President and Chief Executive Officer

**LANDMARK BANCORP, INC.**

**701 Poyntz Avenue**

**Manhattan, Kansas 66502**

**(785) 565-2000**

**NOTICE OF**

**ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 23, 2012**

To the stockholders of

LANDMARK BANCORP, INC.

The annual meeting of the stockholders of Landmark Bancorp, Inc., a Delaware corporation, will be held at the Kansas State University Alumni Center, 17<sup>th</sup> and Anderson Avenue, Manhattan, Kansas, on Wednesday, May 23, 2012, at 2:00 p.m., local time, for the following purposes:

1. to elect two Class II directors for a term of three years;
2. to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2012; and
3. to transact such other business as may properly be brought before the meeting and any adjournments or postponements of the meeting.

We are not aware of any other business to come before the annual meeting. Any action may be taken on any one of the foregoing proposals at the annual meeting on the date specified above, or on any date or dates to which the annual meeting may be adjourned or postponed. The board of directors has fixed the close of business on April 4, 2012, as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting. In the event there are an insufficient number of votes for a quorum or to approve or ratify any of the foregoing proposals at the

time of the meeting, the meeting may be adjourned or postponed to permit our further solicitation of proxies.

By order of the Board of Directors

/s/ Patrick L. Alexander  
Patrick L. Alexander  
President and Chief Executive Officer  
Manhattan, Kansas

April 18, 2012

**WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE TAKE THE TIME TO VOTE BY COMPLETING AND MAILING THE ENCLOSED PROXY CARD IN THE ENCLOSED, SELF-ADDRESSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. WE HOPE THAT YOU WILL BE ABLE TO ATTEND THE MEETING, AND, IF YOU DO YOU, MAY VOTE YOUR STOCK IN PERSON IF YOU WISH. YOU MAY REVOKE THE PROXY CARD AT ANY TIME PRIOR TO ITS EXERCISE.**

LANDMARK BANCORP, INC.

## **PROXY STATEMENT**

### **ANNUAL MEETING OF STOCKHOLDERS**

**May 23, 2012**

This proxy statement is furnished in connection with the solicitation by the board of directors of Landmark Bancorp, Inc. of proxies to be voted at the annual meeting of stockholders to be held at the Kansas State University Alumni Center, 17<sup>th</sup> and Anderson Avenue, Manhattan, Kansas, on Wednesday, May 23, 2012, at 2:00 p.m., local time, and at any adjournments or postponements of the meeting. Our 2011 annual report, which includes consolidated financial statements of Landmark Bancorp and Landmark National Bank, is also enclosed. This proxy statement is first being mailed to Landmark Bancorp's stockholders on or about April 18, 2012.

The following is information regarding the meeting and the voting process, presented in a question and answer format.

#### **Why am I receiving this proxy statement and proxy card?**

You are receiving a proxy statement and proxy card from us because on April 4, 2012, the record date for the annual meeting, you owned shares of Landmark Bancorp's common stock. This proxy statement describes the matters that will be presented for consideration by the stockholders at the annual meeting. It also gives you information concerning the matters to be voted on at the meeting to assist you in making an informed decision.

When you sign the enclosed proxy card, you appoint the proxy holder as your representative at the meeting. The proxy holder will vote your shares as you have instructed in the proxy card, thereby ensuring that your shares will be voted

whether or not you attend the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy card in advance of the meeting in case your plans change.

If you have signed and returned the proxy card and an issue comes up for a vote at the meeting that is not identified on the card, the proxy holder will vote your shares, pursuant to your proxy, in accordance with his or her judgment.

**What matters will be voted on at the meeting?**

You are being asked to vote on the election of two Class II directors of Landmark Bancorp for a term expiring in 2015. Additionally, you are being asked to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2012 fiscal year. These matters are more fully described in this proxy statement.

**If I am the record holder of my shares, how do I vote?**

You may vote either by mail or in person at the meeting. To vote by mail, complete and sign the enclosed proxy card and mail it in the enclosed postage-paid, pre-addressed envelope to our transfer agent, Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey, 07016.



If you mark your proxy card to indicate how you want your shares voted, your shares will be voted as you instruct. If you sign and return your proxy card but do not mark the card to provide voting instructions, the shares represented by your proxy card will be voted “FOR” both nominees named in this proxy statement and “FOR” the ratification of KPMG LLP as our independent registered public accounting firm.

If you want to vote in person, please come to the meeting. We will distribute written ballots to anyone who wants to vote at the meeting. Even if you plan to attend the meeting, you should complete, sign and return your proxy card in advance of the meeting in case your plans change. Please note, if your shares are held in the name of your broker (or in what is usually referred to as “street name”), you will need to arrange to obtain a “legal proxy” from your broker in order to vote in person at the meeting.

### **If I hold shares in the name of a broker or fiduciary, who votes my shares?**

If you received this proxy statement from your broker, trustee or other fiduciary who may hold your shares, your broker, trustee or fiduciary should have given you instructions for directing how they should vote your shares. It will then be their responsibility to vote your shares for you in the manner you direct. As discussed above, if you want to vote in person at the meeting, you will need to arrange to obtain a “legal proxy” from your broker, trustee or fiduciary in order to vote in person at the meeting.

Brokers may generally vote on routine matters, such as the ratification of our independent registered public accounting firm, but cannot vote on non-routine matters, such as an amendment to our certificate of incorporation or the adoption or amendment of an equity compensation plan, unless they have received voting instructions from the person for whom they are holding shares. If your broker does not receive instructions from you on how to vote particular shares on a matter on which your broker does not have discretionary authority to vote, your broker will return the proxy card to us, indicating that he or she does not have the authority to vote on these matters. This is generally referred to as a “broker non-vote” and will affect the outcome of the voting as described under “How many votes are needed for approval of each proposal?”

The election of directors is considered a non-routine matter. We therefore encourage you to provide directions to your broker as to how you want your shares voted on all matters to be brought before the meeting, especially the election of directors. You should do this by carefully following the instructions your broker, trustee or fiduciary gives you concerning its procedures. This ensures that your shares will be voted at the meeting.

### **What does it mean if I receive more than one proxy card?**

It means that you have multiple holdings reflected in our stock transfer records and/or in accounts with stockbrokers. Please sign and return ALL proxy forms to ensure that all your shares are voted.

**What options do I have in voting on each of the proposals?**

You may vote “FOR” or “WITHHOLD AUTHORITY TO VOTE FOR” each nominee for director. You may vote “FOR,” “AGAINST” or “ABSTAIN” on the ratification of the appointment of our independent registered public accounting firm and any other proposal that may properly be brought before the meeting.

**How many votes may I cast?**

Generally, you are entitled to cast one vote for each share of stock you owned on the record date. The proxy card included with this proxy statement indicates the number of shares owned by an account attributable to you.

**How many votes are needed for approval of each proposal?**

Directors are elected by a plurality and the two individuals receiving the highest number of votes cast “FOR” their election will be elected as Class II directors of Landmark Bancorp. The ratification of the appointment of our independent registered public accounting firm and all other matters must receive the affirmative vote of a majority of the shares present in person or by proxy at the meeting and voting. Broker non-votes will not be counted as entitled to vote and therefore will not have an effect on any matter presented at the annual meeting, but will count for purposes of determining whether or not a quorum is present since a routine matter (the ratification of the appointment of our independent registered public accounting firm) is on the proxy ballot. Similarly, abstentions will be considered in determining the presence of a quorum, but will not affect the outcome of any of the proposals considered at the meeting.

**What if I change my mind after I return my proxy?**

If you hold your shares in your own name, you may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by:

- signing another proxy with a later date and returning that proxy to our transfer agent at:

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, New Jersey, 07016;

- sending notice to our transfer agent that you are revoking your proxy; or
- voting in person at the meeting.

If you hold your shares in the name of your broker and desire to revoke your proxy, you will need to contact your broker to revoke your proxy.

**How many shares do we need to have represented at the meeting to hold the annual meeting?**

A majority of the shares that are outstanding and entitled to vote as of the record date must be present in person or by proxy at the meeting in order to hold the meeting and conduct business.

Shares are counted as present at the meeting if the stockholder either:

- is present in person at the meeting; or
  
- has properly submitted a signed proxy card or other proxy.

On April 4, 2012, the record date, there were 2,782,826 shares of common stock issued and outstanding. Therefore, at least 1,391,414 shares need to be present at the annual meeting to hold the meeting and conduct business.

**What happens if a nominee is unable to stand for re-election?**

The board may, by resolution, provide for a lesser number of directors or designate a substitute nominee. In the latter case, shares represented by proxies may be voted for a substitute nominee. Proxies cannot be voted for more than two nominees. The board has no reason to believe either nominee will be unable to stand for re-election.

**Where do I find the voting results of the meeting?**

If available, we will announce voting results at the meeting. The voting results will also be disclosed in a Current Report on Form 8-K that we will file within four business days after the annual meeting.

**Who bears the cost of soliciting proxies?**

We will bear the cost of soliciting proxies. In addition to solicitations by mail, officers, directors or employees of Landmark Bancorp or its subsidiaries may solicit proxies in person or by telephone. These persons will not receive any special or additional compensation for soliciting proxies. We may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to stockholders.



**PROPOSAL I – ELECTION OF DIRECTORS**

At the annual meeting of the stockholders to be held on May 23, 2012, our stockholders will be entitled to elect two Class II directors for a term expiring in 2015. Landmark Bancorp’s directors are divided into three classes having staggered terms of three years. Both the nominees for election as Class II directors are incumbent directors. We have no knowledge that either of the nominees will refuse or be unable to serve, but if either of the nominees becomes unavailable for election, the holders of the proxies reserve the right to substitute another person of their choice as a nominee when voting at the meeting.

Set forth below is information concerning the nominees for election and for the other directors whose terms of office will continue after the meeting, including their age, the year first elected a director and their business experience during the previous five years. The nominees, if elected at the annual meeting of stockholders, will serve as Class II directors for three-year terms expiring in 2015.

Pursuant to the board’s retirement policy, C. Duane Ross, age 75, and a current Class II director, will not be standing for re-election at the 2012 annual meeting. We appreciate Mr. Ross’s service to Landmark Bancorp. In anticipation of Mr. Ross’s retirement, and on the recommendation of its Nominating and Corporate Governance Committee, in January 2012 the board took action to decrease the number of directors constituting the full board from ten to nine, effective immediately following Mr. Ross’s retirement.

**We unanimously recommend that you vote “FOR” each of the nominees for director. Unless authority to vote for the nominees is withheld, the shares represented by the enclosed proxy card, if executed and returned, will be voted “FOR” the election of the nominees proposed by the board of directors.**

NOMINEES

Name	Position with Landmark Bancorp Age and Landmark National Bank	Director Since <sup>(1)</sup>
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CLASS II  
(Term Expires 2015)

Richard A. Ball	59 Director of Landmark Bancorp and Landmark National Bank	1995
Susan E. Roepke	72 Director of Landmark Bancorp and Landmark National Bank	1997



## CONTINUING DIRECTORS

Name	Age	Position with Landmark Bancorp and Landmark National Bank	Director Since <sup>(1)</sup>
CLASS III (Term Expires 2013)			
Patrick L. Alexander	59	President, Chief Executive Officer and Director of Landmark Bancorp and Landmark National Bank	1990
Jim W. Lewis	56	Director of Landmark Bancorp and Landmark National Bank	1991
Jerry R. Pettle	73	Director of Landmark Bancorp and Landmark National Bank	1978
Larry L. Schugart	72	Chairman of the Board and Director of Landmark Bancorp and Landmark National Bank	1971

Name	Age	Position with Landmark Bancorp and Landmark National Bank	Director Since <sup>(1)</sup>
CLASS I (Term Expires 2014)			
Brent A. Bowman	62	Director of Landmark Bancorp and Landmark National Bank	1987
Sarah Hill-Nelson	42	Director of Landmark Bancorp and Landmark National Bank	2011
David H. Snapp	56	Director of Landmark Bancorp and Landmark National Bank	1986

(1) Indicates the year first elected or appointed to the board of directors of MNB Bancshares, Inc. or Landmark Bancshares, Inc. (or their respective banking subsidiaries), the predecessor companies to Landmark Bancorp.

All of our directors will hold office for the terms indicated, or until their earlier death, resignation, removal or disqualification, and until their respective successors are duly elected and qualified. There are no arrangements or understandings with any of the nominees pursuant to which they have been selected as nominees or directors. No director is related to any other director or executive officer of Landmark Bancorp or Landmark National Bank by blood, marriage or adoption. No nominee or director has been a director of another "public corporation" (i.e. subject to the reporting requirements of the Securities Exchange Act of 1934) or of any investment company within the past five years.



The business experience of each nominee and continuing director, as well as their qualifications to serve on the board, are as follows:

*Patrick L. Alexander* has served as the President and Chief Executive Officer of Landmark Bancorp and Landmark National Bank since October 2001. He became President and Chief Executive Officer of the Manhattan Federal Savings and Loan Association (the predecessor to Security National Bank) in 1990, and became the President and Chief Executive Officer of MNB Bancshares and Security National Bank in 1992 and 1993, respectively. From 1986 to 1990, Mr. Alexander served as President of the Kansas State Bank of Manhattan. We consider Mr. Alexander to be a qualified candidate for service on the board due to his experience in the financial services industry and the intimate familiarity with Landmark Bancorp's operations he has acquired as Chief Executive Officer of Landmark Bancorp.

*Richard A. Ball*, a certified public accountant, is the President of Ball Consulting Group, Ltd. He has served as a Board Chairman of the Great Bend Chamber of Commerce, Great Bend United Way, Petroleum Club and Barton County Community College Academic Fund Campaign. He has also served on the boards of the Kiwanis Club, Cougar Booster Club, Downtown Development, Mid-Kansas Economic Development and the Kansas Oil & Gas Museum Committee. We consider Mr. Ball to be a qualified candidate for service on the board, the Audit Committee and the Compensation Committee due to his prominence in the Great Bend market area, his involvement as an investor, consultant and board member in a large Midwest Agribusiness company and his investment in the Oil & Gas business, as well as his familiarity with accounting principles and his general business experience.

*Brent A. Bowman* has been Vice President of Bowman, Bowman and Novick, Inc., an architectural firm, since its incorporation in 2004. Previously, he was the President of Brent Bowman and Associates, P.A. He is a member of the Dean's Advisory Board, College of Architecture Planning & Design, Kansas State University; the Big Lakes Development Center Board of Directors; and a Trustee of the KSU Foundation Board of Trustees. Brent has served as an Adjunct Professor of Architecture at Kansas State University since 1996. He has been recognized for his commitment to the community and to his profession by several awards including Manhattan Citizen of the Year Award in 2007, the Distinguished Service Award from Kansas State University College of Architecture in 2002, and in 1995 he was selected as one of 18 'Best and Brightest Architects' in the United States by *Building Stone Magazine*. We consider Mr. Bowman to be a qualified candidate for service on the board and the Nominating and Corporate Governance Committee due to the skills and expertise he has acquired in leadership roles at successful local businesses.

*Sarah Hill-Nelson* is the Chief Executive Officer of The Bowersock Mills & Power Company, a hydroelectric power plant, in Lawrence, Kansas. Ms. Hill-Nelson is a member of the Lawrence Chamber of Commerce and has served in leadership positions on several boards, including President of the Douglas County CASA Board and Vice President of the City of Lawrence Sustainability Advisory Board. We consider Ms. Hill-Nelson to be a qualified candidate for service on the board, the Audit Committee, and the Nominating and Corporate Governance Committee due to the skills and expertise she has acquired in running a successful local business, as well as her involvement in the Lawrence market.

*Jim W. Lewis* is the owner of Lewis Automotive Groups, which includes several dealerships in Western Kansas. Mr. Lewis serves on the Governor's Council of Economic Advisors and is a member of the Dodge City Area Chamber of Commerce. He was a founding member of The Alley, a community teen center in Dodge City. We consider Mr. Lewis to be a qualified candidate for service on the board, the Audit Committee, and the Nominating and Corporate Governance Committee due to the skills and expertise he has demonstrated in running a successful local business, as well as his prominence in several of our market areas.

*Jerry R. Pettle* is a dentist who practiced with Dental Associates of Manhattan, P.A., in Manhattan, Kansas, from 1965 until his retirement in 1999. Dr. Pettle was a former examiner for the Kansas Dental Board. Dr. Pettle serves on the board of directors of Mercy Regional Health Center and the Friends of Hale Library. Additionally, Dr. Pettle is a Trustee for the Manhattan Community Foundation. We consider Dr. Pettle to be a qualified candidate for service on the board, the Audit Committee, and the Compensation Committee due to his general business skills and his extensive involvement in the Manhattan community.

*Susan E. Roepke* is a former Vice President of MNB Bancshares, serving in that capacity from its inception in 1992 until she retired as an officer of MNB Bancshares and Security National Bank at the end of 1998. She also served in a number of senior management positions with Security National Bank since 1970, including Senior Vice President, Secretary and Cashier beginning in 1993. We consider Ms. Roepke to be a qualified candidate for service on the board, the Audit Committee, and the Compensation Committee due to the financial skills and extensive expertise she has acquired in her leadership roles in the financial services industry and with Landmark Bancorp.



*Larry L. Schugart* has served with Landmark Federal Savings Bank, Landmark Bancshares and Landmark Bancorp for over 48 years. He served as President, Chief Executive Officer and a director of Landmark Bancshares from its incorporation in 1993 until the merger in 2001. He is a former director of the Federal Home Loan Bank of Topeka where he served on the Finance and Executive Committees. Mr. Schugart is a former member and chair of various committees of the Heartland Community Bankers Association, is a past Chairman of the Kansas-Nebraska League of Savings and Loan Association and served as a member of the Governmental Affairs Committee of the America's Community Bankers. In addition, Mr. Schugart has been president of numerous civic and charitable organizations in Great Bend, Kansas. We consider Mr. Schugart to be a qualified candidate for service on the board, the Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee due to his prominence in the Great Bend and Dodge City market areas, as well as his extensive experience in the financial services industry and with Landmark Bancorp.

*David H. Snapp* is the owner of the David H. Snapp, LC law firm in Dodge City, Kansas. Mr. Snapp serves as a board member of the Southwest Kansas Community Foundation, Arrowhead West, Inc., a mental and physical rehabilitation center, and the Catholic Social Service. Mr. Snapp serves on the Kansas Judicial Council Committee to redraft the Supreme Court rules relating to the District and Appellate Courts, and is also a member of the Kansas Title Standards Committee for real estate transactions. We consider Mr. Snapp to be a qualified candidate for service on the board due to his legal skills and expertise, along with the expertise acquired in running a successful local business, and as his prominence in the Dodge City market.

In addition, the business experience for each of our executive officers is as follows:

*Mark A. Herpich*, age 44, has served as Vice President, Secretary, Treasurer and Chief Financial Officer of Landmark Bancorp and as Executive Vice President, Secretary and Chief Financial Officer of Landmark National Bank since October 2001. Previously, he held these same positions at MNB Bancshares and Security National Bank from September 1998 to October 2001. Mr. Herpich served as a Senior Manager and certified public accountant at KPMG LLP from August 1989 to September 1998.

*Michael E. Scheopner*, age 50, has served as an Executive Vice President and Credit Risk Manager of Landmark National Bank since October 2001. Previously, Mr. Scheopner served as an Executive Vice President of Security National Bank from March 1998 to October 2001 and as a Senior Vice President of Security National Bank from May 1996 to March 1998.

*Dean R. Thibault*, age 60, has served as Executive Vice President-Commercial Banking of Landmark National Bank since January 2006. He had served as a Market President for Landmark National Bank since October 2001. Mr. Thibault served as Senior Vice President for Security National Bank from March 1998 to October 2001.

*Bradly L. Chindamo*, age 43, has served as a Market President of Landmark National Bank since January 2008. Prior to joining Landmark National Bank, Mr. Chindamo served as a Community/Regional Bank President for Central National Bank in Lawrence, Kansas from 1995 to January 2008.

*Larry R. Heyka*, age 65, has served as a Market President of Landmark National Bank since January 2006. Prior to joining Landmark National Bank, Mr. Heyka served as a director and the President and Chief Executive Officer of First Savings Bank, F.S.B. in Manhattan, Kansas from December 1999 to December 2005.

*Mark J. Oliphant*, age 59, has served as a Market President of Landmark National Bank since October 2001. Prior to joining Landmark National Bank, Mr. Oliphant served as a Market President for Bank of America in Dodge City, Kansas from January 1998 to October 2001 and as Senior Vice President – Head of Commercial Lending from July 1997 to January 1998 for Bank of America in Dodge City.

## CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

We currently have ten directors serving as our board, a majority of whom are deemed to be “independent,” as that term is defined by NASDAQ. Mr. Alexander is not deemed to be “independent” because of his position as our President and Chief Executive Officer. Additionally, Mr. Snapp is not deemed to be “independent” because Landmark Bancorp has regularly engaged the law firm of David H. Snapp, LC, of which he is the owner, in the past. As discussed above, pursuant to the board’s retirement policy, Mr. Ross will not be standing for re-election at the annual meeting, and the board has taken action to reduce the number of directors on the board to nine upon his retirement.

Generally, the board oversees our business and monitors the performance of our management. In accordance with our corporate governance procedures, the board does not involve itself in the day-to-day operations of Landmark Bancorp, which is monitored by our executive officers and management. Our directors fulfill their duties and responsibilities by attending regular meetings of the full board, with additional special meetings held from time to time. Our directors also discuss business and other matters with Mr. Alexander, other key executives and our principal external advisers (legal counsel, auditors and other consultants) at times other than regularly scheduled meetings when appropriate.

The board of directors has, in addition to other committees, an Audit Committee, a Nominating and Governance Committee and a Compensation Committee. The current charters of each of these committees are available on Landmark Bancorp’s website at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). Our website also contains a general description about us, as well as our Code of Business Conduct and Ethics. Additionally, we maintain a separate website for Landmark National Bank at [www.banklandmark.com](http://www.banklandmark.com) that contains a description of our banking services and products.

The board held six regularly scheduled and special meetings during 2011. In 2012, the full board intends to meet six times with special meetings held from time to time when necessary and through committee membership, which is discussed below. During 2011, all directors attended at least 75 percent of the meetings of the board and the committees on which they served. Although we do not have a formal policy regarding director attendance at the annual meeting, we encourage and expect all of our directors to attend. Last year, all of the directors serving at that time were present at the annual meeting.

### **Audit Committee**

Messrs. Ball, Downey (until his retirement from the board in May), Pettle, Ross and Schugart and Mmes. Roepke and Hill-Nelson served as members of the Audit Committee in 2011, with Mr. Pettle serving as Chairman. In January 2012, Mr. Ross, who will retire from the board in May 2012, stepped down from the Audit Committee and Mr. Lewis was appointed to the committee. Each current member of the Audit Committee is expected to serve throughout 2012. Each of these members is considered “independent,” according to listing standards set forth by NASDAQ and Rule

10A-3 of the Securities Exchange Act of 1934 and the board believes that each member of the committee possesses the necessary skills and qualifications to critically analyze our financial statements and financial reporting process. Further, the board has determined that Ms. Roepke qualifies as an “audit committee financial expert” under the rules of the Securities and Exchange Commission. The board based this decision on Ms. Roepke’s education and professional experience as a former senior financial executive of a financial institution.

The functions performed by the Audit Committee include, but are not limited to, the following:

- selecting and managing the relationship with our independent registered public accounting firm;
- reviewing the independence of the independent registered public accounting firm;

reviewing actions by management on recommendations of the independent registered public accounting firm and internal audit;

meeting with management, internal audit and the independent registered public accounting firm to review the effectiveness of our system of internal control over financial reporting and internal audit procedures;

— reviewing our earnings releases and reports filed with the Securities and Exchange Commission; and

reviewing reports of bank regulatory agencies and monitoring management's compliance with recommendations contained in those reports.

To promote independence of the audit function, the Audit Committee consults separately and jointly with the independent registered public accounting firm, internal audit and management. Internal audit reports directly to the committee on audit and compliance matters. The committee also reviews and approves the scope of the annual external audit and consults with the independent registered public accounting firm regarding the results of their auditing procedures. We have adopted a written charter, which sets forth the Audit Committee's duties and responsibilities. A copy of the charter is currently available on our website at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). The Audit Committee for Landmark Bancorp met ten times in 2011.

### **Compensation Committee**

The Compensation Committee is currently comprised of Messrs. Ball, Pettle, and Schugart and Ms. Roepke, with Mr. Ball serving as Chairman. Each of the current members is expected to serve on the committee throughout 2012, each of the current members is also considered "independent," as such term is defined by NASDAQ listing requirements, an "outside" director pursuant to Section 162(m) of the Internal Revenue Code of 1986, and a "non-employee" director under Section 16 of the Securities Exchange Act. The Compensation Committee is responsible for matters related to the compensation of our Chief Executive Officer and other executive officers. The Compensation Committee's responsibilities and functions are further described in its charter, which is available on our website at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). The Compensation Committee met three times in 2011.

### **Nominating and Corporate Governance Committee**

Messrs. Schugart, Lewis, Ross, Bowman and Ms. Hill-Nelson served on the Nominating and Corporate Governance Committee in 2011, with Mr. Schugart serving as the Chairman. Except for Mr. Ross, who stepped down from the committee in January 2012 and will retire from the board in May 2012, each member of the committee who served in 2011 is expected to serve throughout 2012. Each of the members is deemed to be "independent," as such term is defined by NASDAQ. The Nominating and Corporate Governance Committee is charged with overseeing our corporate governance programs as well as nominating directors to serve on the board of directors. The Nominating and Corporate Governance Committee's responsibilities and functions are further described in its charter, which is available on our website at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). The Nominating and Corporate Governance Committee



met one time in 2011.

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## **Director Nominations and Qualifications**

In carrying out its nominating function, the Nominating and Corporate Governance Committee evaluates all potential nominees for election, including incumbent directors, board nominees and stockholder nominees, in the same manner, although it is not currently seeking candidates to serve on the board and we did not receive any stockholder nominations for the 2012 annual meeting. Generally, the Nominating and Corporate Governance Committee believes that, at a minimum, directors should possess certain qualities, including the highest personal and professional ethics and integrity, a sufficient educational and professional background, demonstrated leadership skills, sound judgment, a strong sense of service to the communities which we serve and an ability to meet the standards and duties set forth in our code of conduct. While we do not have a separate diversity policy, the committee does consider the diversity of its directors and nominees in terms of knowledge, experience, skills, expertise, and other demographics which may contribute to the board. The committee also evaluates potential nominees to determine if they have any conflicts of interest that may interfere with their ability to serve as effective board members and whether they are “independent” in accordance with NASDAQ requirements (to ensure that at least a majority of the directors will, at all times, be independent).

The committee identifies nominees by first evaluating the current members of the board whose term is set to expire at the upcoming annual stockholder meeting willing to continue in service. Current members of the board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of the board does not wish to continue in service or if the committee or the board decides not to re-nominate a member for re-election, the committee would identify the desired skills and experience of a new nominee in light of the criteria above. The committee has not, in the past, retained a third party to assist it in identifying candidates, but it has the authority to retain a third party firm or professional for the purpose of identifying candidates. The committee evaluated the incumbent directors whose terms expire in 2012 and, with the exception of Mr. Ross, who will be retiring pursuant to the board’s retirement policy, determined that they should be nominated for re-election as directors.

## **Stockholder Communication with the Board, Nomination and Proposal Procedures**

***General Communications with the Board.*** Stockholders may contact our board of directors by contacting Mark A. Herpich, Corporate Secretary, Landmark Bancorp, Inc., 701 Poyntz Avenue, Manhattan, Kansas 66502 or (785) 565-2000.

***Nominations of Directors.*** In order for a stockholder nominee to be considered by the Nominating and Corporate Governance Committee to be one of its nominees and included in our proxy statement, the nominating stockholder must file a written notice of the proposed director nomination with our Corporate Secretary, at the above address, at least 120 days prior to the anniversary of the date the previous year’s proxy statement was mailed to stockholders. Nominations must include the full name and address of the proposed nominee and a brief description of the proposed

nominee's business experience for at least the previous five years. All submissions must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. The committee may request additional information in order to make a determination as to whether to nominate the person for director. To be considered by the committee as a nominee for inclusion in next year's proxy statement, stockholder nominations must be received no later than December 19, 2012.

In accordance with our bylaws, a stockholder may otherwise nominate a director for election at an annual meeting of stockholders by delivering written notice of the nomination to our Corporate Secretary, at the above address, not less than 60 days nor more than 90 days prior to the first anniversary date of the previous year's annual meeting. The stockholder's notice of intention to nominate a director must include: (a) for each person to be nominated: (i) the name, age and business and residence address of each nominee; (ii) the principal occupation or employment of each nominee; (iii) the class and number of shares of stock owned by the nominee on the date of the notice; and (iv) any information that would be required to be disclosed on Schedule 13D pursuant to Regulation 13D under the Securities Exchange Act, in connection with the acquisition of stock, and pursuant to Regulation 14A under the Securities Exchange Act, in connection with the solicitation of proxies with respect to nominees for election as directors, regardless of whether the person is subject to the provisions of such regulations; and (b) as to the stockholder: (i) the name and address of record of the nominating stockholder and the names and addresses of any other stockholders supporting each respective nominee; and (ii) the class and number of shares of stock owned by the nominating stockholder and any other stockholders supporting the nominees on the date of the notice. We may request additional information after receiving the notification for the purpose of determining the proposed nominee's eligibility to serve as a director. Persons nominated for election to the board pursuant to this paragraph will not be included in our proxy statement.

***Other Stockholder Proposals.*** To be considered for inclusion in our proxy statement and form of proxy for our 2013 annual meeting of stockholders, stockholder proposals must be received by our Corporate Secretary, at the above address, no later than December 19, 2012, and must otherwise comply with the notice and other provisions of our bylaws, as well as Securities and Exchange Commission rules and regulations.

For proposals to be otherwise brought by a stockholder and voted upon at an annual meeting, the stockholder must file written notice of the proposal to our Corporate Secretary on or before 60 days in advance of the first anniversary of the previous year's annual meeting.

### **Board Leadership Structure**

The positions of Chairman of the Board and Chief Executive Officer are currently held by separate people. We believe this is the most appropriate structure for Landmark Bancorp at this time. The Chairman of the Board provides leadership to the board and works with the board to define its structure and activities in the fulfillment of its responsibilities. The Chairman of the Board provides input to management with respect to setting the board agendas, facilitates communication among directors, works with the Chief Executive Officer to provide an appropriate information flow between management and the board and presides at meetings of the board of directors and stockholders. With the Chairman of the Board's assumption of these duties, the Chief Executive Officer may place a greater focus on the strategic and operational aspects of Landmark Bancorp. We also believe our board feels a greater sense of involvement and brings a wider source of perspective as a result of this structure, from which Landmark Bancorp benefits.

### **Independent Director Sessions**

Although the Chairman of the Board is an independent director, we have a separate lead independent director who organizes and presides at sessions of our independent directors. Currently, Ms. Roepke serves as our lead independent director. Consistent with NASDAQ listing requirements, the independent directors regularly have the opportunity to meet without the non-independent directors present and in 2011 there were two such sessions.

### **Board's Role in Risk Oversight**

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including general economic risks, credit risks, regulatory risks, audit risks, reputational risks and others, such as the impact of competition. Management is responsible for the day-to-day management of risks the company faces, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

While the full board of directors is charged with ultimate oversight responsibility for risk management, various committees of the board and members of management also have responsibilities with respect to our risk oversight. In particular, the Audit Committee plays a large role in monitoring and assessing our financial, legal, and organizational risks, and receives regular reports from the management team regarding comprehensive organizational risk as well as particular areas of concern. The board's Compensation Committee monitors and assesses the various risks associated with compensation policies, and oversees incentives that encourage a level of risk-taking consistent with our overall strategy. Additionally, our Chief Lending Officer and loan review staff are directly responsible for overseeing our credit risk.

We believe that establishing the right “tone at the top” and providing for full and open communication between management and our board of directors are essential for effective risk management and oversight. Our executive management meets regularly with our other senior officers to discuss strategy and risks facing the company. Senior officers attend many of the board meetings or, if not in attendance, are available to address any questions or concerns raised by the board on risk management-related and any other matters. Additionally, each of our board-level committees provides regular reports to the full board and apprises the board of our comprehensive risk profile and any areas of concern.

### **Code of Business Conduct and Ethics**

We have a Code of Business Conduct and Ethics in place that applies to all of our directors and employees. The code sets forth the standard of ethics that we expect all of our directors and employees to follow, including our Chief Executive Officer and Chief Financial Officer. The code of conduct is posted on our website at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). We intend to satisfy the disclosure requirements under Item 5.05(c) of Form 8-K regarding any amendment to or waiver of the code with respect to our Chief Executive Officer and Chief Financial Officer, and persons performing similar functions, by posting such information on our website.

**Director Compensation**

In 2011, directors of Landmark Bancorp received a monthly fee of \$1,650 for serving on the board of directors and they will receive a monthly fee of \$1,700 in 2012. Landmark Bancorp has assumed deferred compensation agreements entered into by Messrs. Ball, Ross, Schugart and Snapp as directors of Landmark Bancshares, Inc. Landmark Bancorp has also assumed deferred compensation agreements entered into by Mr. Schugart as an executive officer of Landmark Bancshares, Inc. The following table illustrates the compensation of our non-employee directors in 2011.

Name	Fees earned or paid in cash (\$)	Stock awards (\$) <sup>(1)</sup>	Option awards (\$) <sup>(1)</sup>	All other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(g)	(h)
Richard A. Ball	19,800	3,250	2,189	-0-	25,239
Brent A. Bowman	19,800	3,250	2,189	-0-	25,239
Joseph L. Downey <sup>(2)</sup>	8,250	3,250	2,189	-0-	13,689
Sarah Hill-Nelson	19,800	3,250	2,189	-0-	25,239
Jim W. Lewis	19,800	3,250	2,189	-0-	25,239
Jerry R. Pettie	19,800	3,250	2,189	-0-	25,239
Susan E. Roepke	19,800	3,250	2,189	-0-	25,239
C. Duane Ross	19,800	3,250	2,189	-0-	25,239
Larry L. Schugart	19,800	3,250	2,189	-0-	25,239
David H. Snapp	19,800	3,250	2,189	-0-	25,239

Amounts reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 with respect to the grant of stock options and/or restricted stock in 2011. In 2011, each non-employee director was granted options to purchase 1,445 shares of common stock with an exercise price of \$15.48 per share, which options vest 25% each year over four years. Additionally, in 2011, each non-employee director was granted 210 shares of restricted stock, which shares vest 25% each year over four years. For a discussion of the assumptions (1) used to establish the valuation of the restricted stock awards and stock options, reference is made to Note 11 of the Notes to the Consolidated Financial Statements of the Company included in the Company's 2011 Annual Report to Stockholders. At December 31, 2011, Ms. Hill-Nelson held 1,445 options, none of which were exercisable. Mr. Downey retired from the board in May 2011, pursuant to the board's retirement policy, and his options expired prior to December 31, 2011. Each of the remaining non-employee directors held 12,278 options, 9,930 of which were exercisable, as of December 31, 2011.

(2) Reflects monthly director fees received by Mr. Downey through his retirement in May 2011, pursuant to the board's retirement policy.

**EXECUTIVE COMPENSATION**

## **Regulatory Impact on Compensation**

As a publicly-traded financial institution, Landmark Bancorp must contend with several often overlapping layers of regulations when considering and implementing compensation-related decisions. These regulations do not set specific parameters within which compensation decisions must be made, but do require Landmark Bancorp and the Compensation Committee to be mindful of the risks that often go hand-in-hand with compensation programs designed to incentivize the achievement of better than average performance. While the regulatory focus on risk assessment has been heightened over the last several years, the incorporation of general concepts of risk assessment in our compensation decisions is not a recent development.



Under its long-standing *Interagency Guidelines Establishing Standards for Safety and Soundness*, the FDIC has long held that excessive compensation is prohibited as an unsafe and unsound practice. In describing a framework within which to make a determination as to whether compensation is to be considered excessive, the FDIC has indicated that financial institutions should consider whether aggregate cash amounts paid, or noncash benefits provided, to employees are unreasonable or disproportionate to the services performed by an employee. The FDIC encourages financial institutions to review an employee's compensation history and to consider internal pay equity, and, as appropriate, to consider benchmarking compensation to peer groups. Finally, the FDIC provides that such an assessment must be made in light of the institution's overall financial condition.

In the summer of 2010, the various financial institution regulatory agencies worked together to issue additional guidance, *Guidance on Sound Incentive Compensation Policies*, that was in many respects intended to serve as a compliment to the *Safety and Soundness* standards. As its title would imply, the joint agency guidance sets forth a framework for assessing the soundness of incentive compensation plans, programs and arrangements maintained by financial institutions. The joint agency guidance is narrower in scope than the *Safety and Soundness* standards because it applies only to senior executive officers and those other individuals who, either alone or as a group, could pose a material risk to the institution. With respect to those identified individuals, the joint agency guidance is intended to focus the institution's attention on balanced risk-taking incentives, compatibility with effective controls and risk management, and a focus on general principles of strong corporate governance.

Also, once further risk assessment guidelines and procedures, as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), are finalized by the financial institution regulatory agencies and the Securities and Exchange Commission, Landmark Bancorp expects that it will also be subject to those further guidelines and procedures. However, initial guidance respecting the Dodd-Frank Act risk assessment guidelines and procedures was issued during 2011 and that guidance, in large part, restates the frameworks set forth in the *Safety and Soundness* standards and joint agency guidance described above.

Finally, in addition to the foregoing, as a publicly-traded corporation, Landmark Bancorp is also subject to the Securities and Exchange Commission's rules regarding risk assessment. Those rules require a publicly-traded company to determine whether any of its existing incentive compensation plans, programs or arrangements create risks that are reasonably likely to have a material adverse effect on the company.

The Compensation Committee believes that a sensible approach to balancing risk-taking and rewarding reasonable, but not necessarily easily attainable, goals has always been a component of its overall assessment of the compensation plans, programs and arrangements it has put in place for Landmark Bancorp's named executive officers. In this regard, the committee has regularly revisited the components of the frameworks set forth in the *Safety and Soundness* standards and the joint guidance as an effective tool for conducting its own assessment of the balance between risk and reward built into Landmark Bancorp's compensation programs for our named executive officers. In addition, the Compensation Committee continues to anticipate final guidance under the Dodd-Frank Act and will be prepared to incorporate into its risk assessment procedures any new guidelines and procedures as may be necessary or appropriate.

**Summary of Compensation Paid to Named Executive Officers**

The following table sets forth the following information: (i) the dollar value of base salary and bonus earned during the years ended December 31, 2011 and 2010; (ii) the aggregate grant date fair value of stock option awards during these years, computed in accordance with FASB ASC Topic 718; (iii) the dollar value of earnings for services pursuant to awards granted during these years under non-equity incentive plans; (iv) all other compensation for these years; and, finally, (v) the dollar value of total compensation for these years.

## Summary Compensation Table

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$) <sup>(1)</sup>	Option awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	All other Compensation (\$) <sup>(2)</sup>	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(i)	(j)
Patrick L. Alexander President and Chief Executive Officer	2011	323,500	17,840	29,900	20,099	17,840	36,197	445,376
Michael E. Scheopner Executive Vice President and Credit Risk Manager	2010	314,500	32,625	-0-	-0-	-0-	35,713	382,838
Michael E. Scheopner Executive Vice President and Credit Risk Manager	2011	182,875	14,880	19,338	13,006	14,880	22,532	267,511
Mark A. Herpich Executive Vice President and Chief Financial Officer	2010	177,625	25,725	-0-	-0-	-0-	20,540	223,890
Mark A. Herpich Executive Vice President and Chief Financial Officer	2011	182,875	14,880	19,338	13,006	14,880	18,142	263,121
	2010	177,625	25,725	-0-	-0-	-0-	17,389	220,739

Amounts reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 with respect to the grant of restricted stock and/or stock options, as the case may be, with respect to each of the named officers. In 2011, Messrs. Alexander, Scheopner and Herpich were granted options to purchase 13,272, 8,589 and 8,589 shares of common stock, respectively, with an exercise price of \$15.48 per share, which options vest 25% (1) each year over four years. Additionally, in 2011, Messrs. Alexander, Scheopner and Herpich were granted 1,932, 1,249 and 1,249 shares of restricted stock, respectively, which shares vest 25% each year over four years. For a discussion of the assumptions used to establish the valuation of the restricted stock awards and stock options, reference is made to Note 11 of the Notes to the Consolidated Financial Statements of the Company included in the Company's 2011 Annual Report to Stockholders.

Amounts included for Messrs. Alexander, Scheopner and Herpich include Company contributions to Landmark's 401(k) Profit Sharing Plan of \$14,700, \$11,175, and \$11,175, respectively, in 2010, and \$14,700, \$12,237 and (2) \$12,237, respectively, in 2011. Additionally, with respect to Mr. Alexander, the amount reported includes board fees of \$19,800 in 2011 and \$19,200 in 2010. The remainder of the amounts reported in all other compensation, except as noted in this Footnote (2), include perquisites in the form of country club dues and a car allowance.

In October 2001 we entered into employment agreements with each of Messrs. Alexander, Scheopner and Herpich. Mr. Alexander's agreement provides for an initial three-year term that renews for an additional one-year term on each anniversary of its original effective date (so that, as of each anniversary date of the effective date, the agreement will always have a three-year term), unless either party gives notice of its intention to terminate the agreement 90 days

prior to the anniversary date. Pursuant to his employment agreement, Mr. Alexander is entitled to receive a base salary of \$200,000, subject to increase in accordance with our management compensation policies and plans. Mr. Alexander is also entitled to receive a performance bonus based on performance criteria selected by the Compensation Committee, a country club membership, an annual car allowance and such other benefits as are provided to our other executive officers.

Mr. Herpich's and Mr. Scheopner's agreements each provide for an initial one-year term that automatically renews on each anniversary of its original effective date unless either party gives notice of its intention to terminate the agreement 90 days prior to the anniversary date. Pursuant to their respective employment agreements, each of Mr. Herpich and Mr. Scheopner are entitled to receive a minimum base salary of \$105,000, subject to increase in accordance with our management compensation policies and plans. They are also entitled to receive a performance bonus based on performance criteria selected by the Compensation Committee, a country club membership, an annual car allowance and such other benefits as are provided to our other executive officers.

## Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information on outstanding options and unvested restricted stock held by the individuals named in the Summary Compensation Table at December 31, 2011, including the number of shares underlying both exercisable and unexercisable portions of each stock option as well as the exercise price and the expiration date of each outstanding option.

Name (a)	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercisable options (#) (b)	Number of Securities Underlying Exercised options (#) (c)	Option Exercise Price (\$) (e)	Option Expiration date <sup>(3)</sup> (f)	Number of shares or units of stock that have not vested <sup>(4)</sup> (#) (g)	Market value of shares or units of stock that have not vested <sup>(5)</sup> (\$) (h)
Patrick L. Alexander	33,155	-0-	19.76	3/29/2014		
	33,155	-0-	20.27	4/19/2016		
	24,867	8,288	(1) 18.91	4/23/2018		
	-0-	13,272	(2) 15.48	4/20/2021	1,932	36,128
Michael E. Scheopner	21,453	-0-	19.76	3/29/2014		
	21,453	-0-	20.27	4/19/2016		
	16,090	5,363	(1) 18.91	4/23/2018		
	-0-	8,589	(2) 15.48	4/20/2021	1,249	23,356
Mark A. Herpich	21,453	-0-	19.76	3/29/2014		
	21,453	-0-	20.27	4/19/2016		
	16,090	5,363	(1) 18.91	4/23/2018		
	-0-	8,589	(2) 15.48	4/20/2021	1,249	23,356

(1) All remaining unvested options awarded on April 23, 2008 will vest on April 23, 2012.

(2) The stock options awarded on April 20, 2011 vest 25% each year over a four-year period beginning April 20, 2012.

(3) All options expire 10 years after the grant date.

(4) All shares were granted on April 20, 2011 and vest 25% each year over a four-year period beginning April 20, 2012.

(5) Based on Landmark Bancorp's closing price of \$18.70 on December 30, 2011, the last trading day of the year.

All equity awards made to Messrs. Alexander, Scheopner and Herpich were made pursuant to the 2001 Long-Term Incentive Plan, which authorized the issuance of up to 340,000 shares of our common stock, as adjusted subsequently for the impact of our annual 5% stock dividends, including the granting of incentive stock options, nonqualified stock options, restricted stock and stock appreciation rights. The options were granted with an exercise price equal to the fair market value of the stock on the date of grant.

**Benefits upon Termination or a Change in Control**

If Mr. Alexander's employment is terminated without cause (which is defined in the employment agreement), Landmark Bancorp will be obligated to pay or to provide to him, as applicable, a cash payment equal to three times the sum of (a) his then annual salary, (b) an amount equal to the average of the annual performance bonuses paid to him for the most recent three fiscal years, and (c) the contributions made for his benefit under all employee retirement plans during the most recently ended fiscal year. Landmark Bancorp must also provide Mr. Alexander and his immediate family continued insurance coverage for the three years after this termination of employment. Landmark Bancorp will have no continuing obligation to Mr. Alexander if he voluntarily terminates his employment or if he is terminated for cause, except that Landmark Bancorp will be obligated to pay him his accrued salary and benefits through the effective date of his termination of employment.

Except as described below, the employment agreements for Messrs. Herpich and Scheopner contain substantially the same provisions as those included in Mr. Alexander's employment agreement. As described above, the terms of their respective agreements are for one year and, absent 90 days notice from either party, they automatically extend for one additional year on each anniversary of the effective date of the agreement. If Mr. Herpich or Mr. Scheopner is terminated without cause during the term of his respective agreement, he will be entitled to receive an amount equal to the sum of (a) his then annual salary, (b) an amount equal to the average of the annual performance bonuses paid to him for the most recently ended three fiscal years, and (c) the contributions made for his benefit under all employee retirement plans during the most recently ended fiscal year. Landmark Bancorp must also provide the officer and his immediate family with continued insurance coverage for one year after this termination of employment. The payment to be made to Mr. Herpich or Mr. Scheopner, as applicable, upon his voluntary termination of employment within six months after a change of control or his involuntary termination without cause within one year of a change of control will be equal to two times the sum of (a) his then annual salary, (b) an amount equal to the average of the annual performance bonuses paid to him for the most recently ended three fiscal years, and (c) the contributions made for his benefit under all employee retirement plans during the most recently ended fiscal year. Landmark Bancorp must also provide the officer and his immediate family with continued insurance coverage for two years after this termination of employment.

The following table sets forth the potential payments payable to each of the individuals named in the Summary Compensation Table upon termination of employment, change in control, disability and death, assuming the events occurred on December 31, 2011.

Name	Benefit	Termination Without Cause	Termination Following Change-in Control	Termination for Any other Reason <sup>(1)</sup>
Patrick L. Alexander	Base Salary	\$ 975,000	\$ 975,000	-0-
	Short-Term Incentive	68,305	68,305	-0-
	Benefit Plan	44,100	44,100	-0-
	Medical	7,228	7,228	-0-
	Stock Options <sup>(2)</sup>	-0-	42,736	-0-

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	Total	\$ 1,094,633	\$ 1,137,369	\$ -0-
Michael E. Scheopner	Base Salary	\$ 185,500	\$ 371,000	-0-
	Short-Term Incentive	19,495	38,990	-0-
	Benefit Plan	12,237	24,474	-0-
	Medical	7,570	14,898	-0-
	Stock Options <sup>(2)</sup>	-0-	27,657	-0-
	Total	\$ 224,802	\$ 477,019	\$ -0-
Mark A. Herpich	Base Salary	\$ 185,500	\$ 371,000	-0-
	Short-Term Incentive	19,495	38,990	-0-
	Benefit Plan	12,237	24,474	-0-
	Medical	7,570	14,898	-0-
	Stock Options <sup>(2)</sup>	-0-	27,657	-0-
	Total	\$ 224,802	\$ 477,019	\$ -0-



This column includes amounts payable as a result of a voluntary termination by the employee, a termination of the (1) employee for cause by Landmark Bancorp, termination as a result of death or disability or a termination by the employee upon retirement.

(2) Based on Landmark Bancorp's closing price of \$18.70 on December 30, 2011, the last trading day of the year.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding our common stock beneficially owned on April 4, 2012 with respect to all persons known to us to be the beneficial owner of more than five percent of our common stock, each director and nominee, each executive officer named in the summary compensation table above and all directors and executive officers of as a group. Beneficial ownership has been determined for this purpose in accordance with Rule 13d-3 under the Securities Exchange Act, under which a person is deemed to be the beneficial owner of securities if he or she has or shares voting power or investment power with respect to such securities or has the right to acquire beneficial ownership of such securities within 60 days of April 4, 2012.

Name of Individual and Number of Persons in Group	Amount and Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class
Directors and Named Executive Officers		
Patrick L. Alexander	202,359	(2) 7.0 %
Richard A. Ball	80,518	(3) 2.9 %
Brent A. Bowman	17,104	(4) 0.6 %
Sarah Hill-Nelson	3,765	(5) 0.1 %
Jim W. Lewis	69,117	(6) 2.5 %
Jerry R. Pettle	30,608	(7) 1.1 %
Susan E. Roepke	126,831	(8) 4.5 %
C. Duane Ross	65,668	(9) 2.4 %
Larry L. Schugart	133,585	(10) 4.8 %
David H. Snapp	55,722	(11) 2.0 %
Mark A. Herpich	95,640	(12) 3.4 %
Michael E. Scheopner	104,422	(13) 3.7 %
All directors and executive officers as a group (16 persons)	1,114,042	(14) 34.7 %

\*Less than 1%

(1) The information contained in this column is based upon information furnished to us by the persons named below and the members of the designated group. The nature of beneficial ownership for shares shown in this column is sole voting and investment power, except as set forth in the footnotes below. Inclusion of shares in this table shall not be deemed to be an admission of beneficial ownership of such shares.

(2) Includes 102,783 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 29,554 shares owned in an individual retirement account over which Mr. Alexander has shared voting and investment power. 24,724 shares are pledged as collateral in connection with a line of credit from an unrelated financial institution. Also includes 1,932 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(3) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 6,379 shares owned in a simplified employee pension individual retirement account over which Mr. Ball has voting and investment power, 377 shares held as a trustee over which he has shared voting and investment power, 901 shares held by a company in which he has a controlling position or interest, 8,778 shares in an individual retirement account over which he has shared voting and investment power, 189 shares owned by his spouse directly and 637 shares owned in his spouse's individual retirement account over which he has no voting or investment power. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(4) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(5) Includes 361 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 3,194 shares owned in an individual retirement account over which Ms. Hill-Nelson has shared voting and investment power. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(6) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(7) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 6,824 shares held in an individual retirement account over which Mr. Pettle has shared voting and sole investment power. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(8) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 35,455 shares held in an individual retirement account of which the power to vote such shares is shared with the individual retirement account administrator, 53,538 shares owned by her spouse over which she has shared voting and investment power and 1,833 shares held in her spouse's individual retirement account and over which Ms. Roepke disclaims beneficial ownership of such shares. 40,708 shares are pledged as collateral in connection with a line of credit from an unrelated financial institution. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(9) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 6,377 shares held in an individual retirement account over which Mr. Ross has sole voting and sole investment power and 3,396 shares held in his spouse's individual retirement account over which he has no voting or investment power. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(10) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 52,904 shares owned by his spouse over which Mr. Schugart has shared voting and investment power and 935 shares held in his spouse's individual retirement account over which shares he has no voting or investment power. Also includes 57,641 shares owned in an individual retirement account over which he has shared voting and investment power. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(11) Includes 11,194 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 4,341 shares held in an individual retirement account over which he has shared voting and sole investment power. Also includes 1,016 shares owned by his spouse over which he has shared voting and investment power and Mr. Snapp disclaims beneficial ownership of such shares. 5,400 shares are pledged as collateral in connection with a loan from an unrelated financial institution. Also includes 210 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(12) Includes 66,506 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 25,304 shares Mr. Herpich owns with his spouse over which he has shared voting and investment power and includes 2,581 shares owned in an individual retirement account over which he has shared voting and investment power. 21,177 shares are pledged as collateral in connection with a line of credit from an unrelated financial institution. Also includes 1,249 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(13) Includes 66,506 shares presently obtainable through the exercise of options granted under our stock option plan. Also includes 30,146 shares owned jointly with his spouse over which Mr. Scheopner shares voting and investment power and 6,521 shares owned in an individual retirement account over which he has shared voting and investment power. 28,711 shares are pledged as collateral in connection with a line of credit from an unrelated financial institution. Also includes 1,249 shares of restricted stock, which vest 25% each year over a four-year period beginning April 20, 2012.

(14) Includes an aggregate of 425,844 shares presently obtainable through the exercise of options granted under the Landmark Bancorp, Inc. 2001 Stock Incentive Plan.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires that our executive officers, directors and persons who own more than 10% of our common stock file reports of ownership and changes in ownership with the Securities and Exchange Commission and with the exchange on which our shares of common stock are traded. These persons are also required to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of these forms, we are not aware that any of our directors, executive officers or 10% stockholders failed to comply with the filing requirements of Section 16(a) during the fiscal year ended December 31, 2011, except for: Mr. Thibault, who had one late filing relating to one transaction; Ms. Hill-Nelson, who had one late filing relating to four transactions; Mr. Heyka, who had one late filing relating to two transactions; and Mr. Ball, who had one late filing relating to twenty-four transactions.

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Our directors and officers and their associates were customers of and had transactions with Landmark Bancorp and Landmark National Bank, and their predecessors, during 2011. Additional transactions are expected to take place in the future. All outstanding loans, commitments to loan, and certificates of deposit and depository relationships, in the opinion of management, were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features. All such loans are approved by Landmark Bank's board of directors in accordance with the bank regulatory requirements.

### **AUDIT COMMITTEE REPORT**

The Audit Committee assists the board in carrying out its oversight responsibilities for our financial reporting process, audit process and internal controls. The Audit Committee also reviews the audited financial statements and recommends to the board that they be included in our Annual Report on Form 10-K. The committee is currently comprised of Messrs. Ball, Lewis, Pettle, and Schugart and Mmes. Hill-Nelson and Roepke. All of the members are deemed "independent," as defined by NASDAQ.

The Audit Committee has reviewed and discussed our audited financial statements for 2011 with our management and KPMG LLP, our independent registered public accounting firm. The committee has also discussed with KPMG LLP the matters required to be discussed by Statement on Auditing Standards No. 61 Communication With Audit Committees) and received and discussed the written disclosures and the letter from KPMG LLP required by Public Company Accounting Oversight Board Rule 3526 (Communication with Audit Committees Concerning Independence). Based on the review and discussions with management and KPMG LLP, the committee has

recommended to the board that the audited financial statements be included in our Annual Report on Form 10-K for 2011 for filing with the Securities and Exchange Commission.

Audit Committee:

Richard A. Ball    Jerry R. Pettie  
Sarah Hill-Nelson    Susan E. Roepke  
Jim W. Lewis    Larry L. Schugart

## PROPOSAL II – RATIFICATION OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders will be asked to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2012. If the appointment of KPMG LLP is not ratified, the matter of the appointment of our independent registered public accounting firm will be considered by the Audit Committee. Representatives of KPMG LLP are expected to be present at the meeting and will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. **We recommend that you vote “FOR” the ratification of KPMG LLP to serve as our independent registered public accounting firm.**

### **Accountant Fees**

**Audit Fees.** The aggregate amounts of audit fees billed by KPMG LLP for 2011 and 2010 were \$175,038 and \$175,000, respectively, for their audit of our annual financial statements for 2011 and 2010 and their required reviews of our unaudited interim financial statements included in our quarterly reports filed during 2011 and 2010.

**Audit Related Fees.** The aggregate amounts of audit related fees billed by KPMG LLP for 2011 and 2010 were \$12,000 and \$21,578, respectively, for professional services relating to their audits of our compliance with certain U.S. Department of Housing and Urban Development requirements.

**Tax Fees.** The aggregate amounts of tax related services billed by KPMG LLP for 2011 and 2010 were \$41,500 and \$41,500, respectively, for professional services rendered for tax compliance, tax advice and tax planning. The services provided included assistance with the preparation of our tax return and guidance with respect to estimated tax payments.

**All Other Fees.** We did not incur fees from KPMG LLP for 2011 or 2010 other than the fees reported above.

The Audit Committee, after consideration of these matters, does not believe that the rendering of these services by KPMG LLP to be incompatible with maintaining their independence as our principal accountants.

### **Audit Committee Pre-Approval Policy**

Among other things, the Audit Committee is responsible for appointing, setting compensation for and overseeing the work of the independent registered public accounting firm. We have adopted a pre-approval policy under which the Audit Committee approves in advance all audit and non-audit services to be performed by our independent registered public accounting firm. As part of its pre-approval policy, the Audit Committee considers whether the provision of any proposed non-audit services is consistent with the SEC's rules on auditor independence. In accordance with the pre-approval policy, the Audit Committee has pre-approved certain specified audit and non-audit services to be provided by KPMG LLP for up to twelve months from the date of the pre-approval. All of the services referred to above for 2011 were pre-approved by the Audit Committee.

**Important Notice Regarding the Availability of Proxy Material for the Stockholder Meeting to be Held on May 23, 2012**

Full copies of the proxy statement, the proxy card and other materials for the annual meeting are available on the internet at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). Stockholders will receive a full set of these materials through the mail from us or from your broker.



For directions to attend the annual meeting in person, please contact Cathy Harman at (785) 565-2000.

By order of the Board of Directors

/s/ Patrick L. Alexander  
Patrick L. Alexander  
President and Chief Executive Officer

Manhattan, Kansas

April 18, 2012

**ALL STOCKHOLDERS ARE URGED TO SIGN**

**AND MAIL THEIR PROXIES PROMPTLY**

**PROXY FOR COMMON SHARES ON BEHALF OF THE BOARD OF DIRECTORS  
FOR THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
LANDMARK BANCORP, INC. TO BE HELD MAY 23, 2012**

The undersigned hereby appoints Mark A. Herpich, Patrick L. Alexander and Larry L. Schugart, or any two of them acting in the absence of the other, with power of substitution, attorneys and proxies, for and in the name and place of the undersigned, to vote the number of shares of common stock that the undersigned would be entitled to vote if then personally present at the annual meeting of the stockholders of Landmark Bancorp, Inc., to be held at the Kansas State University Alumni Center, 17<sup>th</sup> and Anderson Avenue, Manhattan, Kansas, on Wednesday, May 23, 2012, at 2:00 p.m., local time, or any adjournments or postponements of the meeting, upon the matters set forth in the notice of annual meeting and proxy statement, receipt of which is hereby acknowledged, as follows:

**1. ELECTION OF DIRECTORS:**

**FOR** all nominees listed below  
(except as marked to the contrary below)

**WITHHOLD AUTHORITY**  
to vote for all nominees listed below

£

£

**Class II (term expires 2015):** Richard A. Ball, Susan E. Roepke

**(INSTRUCTIONS: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEE,  
STRIKE A LINE THROUGH THE NOMINEE'S NAME IN THE LIST ABOVE.)**

**2. RATIFY THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2012:**

£     "

For Against Abstain

**3.** In accordance with their discretion, upon all other matters that may properly come before the meeting and any adjournments or postponements of the meeting.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE NOMINEES LISTED UNDER PROPOSAL 1 AND FOR PROPOSAL 2.**

Dated:           ,2012

Signature(s)

**NOTE: PLEASE DATE PROXY AND SIGN IT EXACTLY AS NAME OR NAMES APPEAR ABOVE. ALL JOINT OWNERS OF SHARES SHOULD SIGN. STATE FULL TITLE WHEN SIGNING AS EXECUTOR, ADMINISTRATOR, TRUSTEE, GUARDIAN, ETC. PLEASE RETURN SIGNED PROXY CARD IN THE ENCLOSED ENVELOPE.**

**Important Notice Regarding the Availability of Proxy Material for the Stockholder Meeting to Be Held on May 23, 2012.**

Full copies of the proxy statement, the proxy card and other materials for the annual meeting are available on the internet at [www.landmarkbancorpinc.com](http://www.landmarkbancorpinc.com). Stockholders will receive a full set of these materials through the mail from us or from your broker.