
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) **December 11, 2020** (December 09, 2020)

NATIONAL WESTERN LIFE GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-55522
(Commission
File Number)

47-3339380
(IRS Employer
Identification No.)

10801 N. Mopac Expy Bldg 3
Austin, Texas
(Address of Principal Executive Offices)

78759
(Zip Code)

Registrant's telephone number, including area code **(512) 836-1010**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class to be registered:</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which each class is to be registered:</u>
Class A Common Stock, \$0.01 par value	NWL1	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of the chapter) or Rule 12-b2 of the Securities Exchange Act of 1934 (§240.12b-2 of the chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 9, 2020, the Compensation and Stock Option Committee of National Western Life Group, Inc. ("NWLGI") approved the calendar year National Western Life Insurance Company 2021 Officer Bonus Program ("Bonus Program") and National Western Life Insurance Company Chief Marketing Officer Bonus Program ("CMO Bonus Program") which include as participants various named executive officers. NWLGI is the holding company for National Western Life Insurance Company ("NWLIC"). The Bonus Program and CMO Bonus Program are designed to provide additional compensation based on achieving certain performance and profit criteria in order to hold executives accountable through their compensation for the performance of the business. The participants are as follows:

National Western Life Insurance Company 2021 Officer Bonus Program

Ross R. Moody - Chairman of the Board and Chief Executive Officer

Rey Perez - President and Chief Operating Officer

Natalie U. Anderson - Senior Vice President, Chief Investment Officer

Steven W. Mills - Senior Vice President, Chief Administrative Officer

Charles D. Milos - Senior Vice President, Mortgage Loans and Real Estate

Greg J. Owen - Senior Vice President, Chief Information Officer

Brian M. Pribyl - Senior Vice President, Chief Financial Officer and Treasurer

Stephen M. Van De Berg - Senior Vice President, Chief Actuary and Chief Risk Officer

Gina Byrne Miller - Senior Vice President, Chief Legal Officer and Secretary

National Western Life Insurance Company 2021 Chief Marketing Officer Bonus Program

Chad J. Tope - Executive Vice President, Chief Marketing Officer

The Bonus Program and CMO Bonus Program are in effect for the year ending December 31, 2021. Amounts earned under the Bonus Program will be paid in 2022 when final results are determined while amounts earned under the CMO Bonus Program may be advanced quarterly during 2021. A copy of the Bonus Program and CMO Bonus Program are attached hereto as Exhibit 10(aa) and Exhibit 10(ab), respectively, and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
<u>10(aa)</u>	National Western Life Insurance Company 2021 Officer Bonus Program
<u>10(ab)</u>	National Western Life Insurance Company 2021 Chief Marketing Officer Bonus Program

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL WESTERN LIFE GROUP, INC.

Date: December 11, 2020

/S/Brian M. Pribyl

Brian M. Pribyl
Senior Vice President,
Chief Financial Officer
and Treasurer

CHIEF MARKETING OFFICER BONUS PROGRAM

Exhibit 10(ab)

This 2021 Chief Marketing Officer Bonus Program (the “Program”) is designed to reward an eligible Chief Marketing Officer of National Western Life Insurance Company (the “Company”) for their performance in achieving pre-determined sales targets while assisting the Company in managing to its expense and profit criteria. A Chief Marketing Officer of the Company who is designated by the Committee as a participant in the Program (a “Participant”) shall be eligible to receive a bonus hereunder.

The Program was adopted by the Compensation and Stock Option Committee of the Board of Directors of National Western Life Group, Inc. (the “Committee”) on December 9, 2020.

I. Goals/Performance Payout

1. The Program incorporates two measurable performance factors: (1) Company sales, which are defined as Single Premium Life total placed premium (LTRS sales) plus net annualized target premium for Non-LTRS Life sales (in aggregate “Life Sales”), and Annuities total placed premium (“Annuity Sales”), and (2) overall Company profitability. The bonus percentages included in the tables below pertain to Participants who are a Chief Marketing Officer at the Executive Vice President level.
2. Each of the two performance factors will have an assigned target level for purposes of the Program. Assuming a “par” performance (i.e., achieving each target level), the weighting of the bonus percentage (applied to Base Salary (as defined below)) is 40% for Life Sales performance, 40% for Annuity Sales performance, and 20% for Company profitability, for an overall par bonus percentage of 100%. The maximum bonus percentage under the Program is 200%. For purposes of the Program, the Base Salary of the Participant is his/her annual base salary for 2021 (prorated for Participants who are not employed by the Company for the entire 2021 performance period from January 1, 2021 through December 31, 2021) as certified by the Committee in its sole discretion.
3. Once the percentage amount has been determined, as described in the previous paragraph, 50% of that amount will be “at risk” and subject to successful completion of individual objectives as assessed by the President. The objectives will be established by each Participant together with the President before the end of the first quarter of 2021. The President will present recommendations to the Committee after the end of the 2021 performance cycle as to the actual award to be paid based on his assessment of achievement.

II. Company Sales Component (40% Life Sales, 40% Annuity Sales):

1. The sales component of the Program is subdivided between Life Sales and Annuity Sales. For 2021, the sales goals for the following lines of business of the Company are:
 - a. Life Sales -- \$220,000,000
 - b. Annuity Sales -- \$480,000,000

CHIEF MARKETING OFFICER BONUS PROGRAM

2. The Company's New Business Market Summary Report (NWAR60 Report), and its equivalent from each of the Company's policy administration systems operational during 2021, will be the source of sales results for purposes of this Program. The bonus percentage corresponding with the Life Sales production levels achieved in 2021 will be applied to 100% of the Participant's Base Salary in accordance with the following grid:

Chief Marketing Officer		
	Life Sales	Bonus %
Threshold	\$180,000,000	20.00%
	Bonus % interpolated between Threshold & Target	
Target	\$220,000,000	40.00%
Payout % for sales at or above Target level	All sales above Target level will be calculated on a sliding scale with straight line interpolation	

3. The level shaded represents the Company's sales goal for the segment for purposes of the Program and represents the par performance level. If the actual results attain this level, the Participant would be eligible to receive a bonus calculated as a percentage of Base Salary in accordance with the table shown above. If net total placed premium sales are below the threshold amount, no bonus percentage will be earned for this segment.
4. Bonus percentages associated with Life Sales are not capped.
5. The bonus percentage corresponding with the Annuity Sales production levels achieved in 2021 will be applied to 100% of the Participant's Base Salary in accordance with the following grid:

Chief Marketing Officer		
	Annuity Sales	Bonus %
Threshold	\$300,000,000	20.00%
	Bonus % interpolated between Threshold & Target	
Target	\$480,000,000	40.00%
Payout % for sales at or above Target level	All sales above Target level will be calculated on a sliding scale with straight line interpolation	

CHIEF MARKETING OFFICER BONUS PROGRAM

6. The level shaded represents the Company's sales goal for the segment for purposes of the Program and represents the par performance level. If the actual results attain this level, the Participant would be eligible to receive a bonus calculated as a percentage of Base Salary in accordance with the tables shown above. If Annuity Sales (not including premium ceded to a reinsurance program or premium resulting from a conservation program) is below the threshold amount, no bonus percentage will be earned for this segment.
7. Bonus percentages associated with Annuity Sales are not capped.

III. Company Profitability Component (20%):

1. The profitability component of the Program is based upon the consolidated GAAP return on assets (ROA) percentage as derived from the segment results reported in National Western Life Group, Inc.'s (NWLGI)'s Form 10-K. The ROA percentage is calculated as the sum of GAAP segment net operating earnings divided by the sum of the beginning of the year GAAP segment assets. Segment GAAP net operating earnings are after federal income taxes but exclude realized gains and losses on investments. As the GAAP results, including segment information, reported in the Form 10-K are audited by the Company's independent auditors, the ROA calculation will be finalized at the time NWLGI's Form 10-K for the year is filed with the SEC.
2. The bonus percentage corresponding with the actual ROA percentage for 2021 will be applied to 100% of the Participant's Base Salary in accordance with the following grid:

		Chief Marketing Officer	
		ROA %	Bonus %
Threshold		0.65%	15.00%
		Bonus % interpolated between Threshold & Target	
Target		0.85%	20.00%
Payout % for results at or above Target level		All results above Target level will be calculated on a sliding scale with straight line interpolation	

3. If the actual ROA percentage achieved in 2021 is less than the threshold amount shown (0.65%), no bonus percentage will be earned.
4. Bonus percentages associated with the profitability component of the Program are not capped.

CHIEF MARKETING OFFICER BONUS PROGRAM**IV. Administration:**

1. Determination of Bonuses. On a quarterly basis the Committee or the President of the Company (the "President") shall determine the extent to which the measurable performance factors have been achieved and the bonus percentage for the Participant for 2021. The Committee or the President, as applicable, shall certify such determination in writing. The bonus for the Participant shall be determined by applying the total certified bonus percentage to the Participant's Base Salary in accordance with the calculation methodology described below. Notwithstanding any contrary provision of the Program, the Committee or the President, in his or her sole discretion, may eliminate or reduce the bonus payable to the Participant below that which otherwise would be payable under the Program formula.

Bonus amounts under the Program will be calculated quarterly on a cumulative basis using actual year-to-date results compared to prorated performance factors, prorated Base Salary for the calculation period, and a reduction for the amount of prior quarterly bonus payments. The overall quarterly bonus percentage will be capped at 100% of prorated Base Salary for the calculation period. In the event that actual year-to-date results at the end of a quarter are less than the aggregate prior bonus payments to date, no additional bonus will be paid for that quarter. However, bonus amounts paid year-to-date will not be recouped from a Participant in the event of a suspension of quarterly payments except at the end of the Program year if unearned. The Company may recoup any excess bonus payments from any other bonus payments (including bonus pool payments) payable hereunder after the end of the Program year, from bonuses under any successor bonus plan or program, or from any other wages or compensation payable to the Participant. The Participant consents to such recoupment as a condition for participation in the Program.

2. Timing and Form of Payment. After the bonus amount for a quarter is certified by the Committee or the President, as applicable, the bonus shall be paid in cash in a single lump sum within 45 days after the last day of the quarter, provided that the payment (if any) for the fourth quarter shall occur on or after January 1, 2022 and on or before March 15, 2022. Bonus payments are intended to qualify as short-term deferrals under section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and shall be paid not later than the latest specified payment date (March 15, 2022). The Company shall have the authority to delay the payment of any bonus under the Program to the extent it deems necessary or appropriate to comply with Code section 409A(a)(2)(B)(i).
3. Effect of Termination.
 - a. If the Participant terminates employment with the Company for any reason after the end of the 2021 performance period but prior to the date the bonus for such period is paid, the Participant shall be entitled to payment of the bonus determined by the Committee, subject to reduction or elimination under the last sentence of the "Determination of Bonuses" paragraph above based on the circumstances surrounding such termination of employment.

CHIEF MARKETING OFFICER BONUS PROGRAM

- b. If the Participant terminates employment with the Company prior to the end of the applicable 2021 Performance Period for any reason other than termination for cause by the Company (as determined by the Committee in its sole discretion), the Committee shall reduce the Participant's bonus proportionately based on the date of termination (and subject to further reduction or elimination under the last sentence of the "Determination of Bonuses" paragraph above based on the circumstances surrounding such termination of employment).
 - c. If the Participant is terminated for cause by the Company prior to the payment of any bonus, no bonus shall be payable hereunder.
 - d. If a Participant dies prior to the payment of a bonus payable hereunder, the bonus shall be paid to the Participant's beneficiary of record.
4. Source of Payments. Bonuses that may become payable under the Program shall be paid solely from the general assets of the Company. The rights of the Participant (and any person claiming entitlement by or through a Participant) hereunder shall be solely those of an unsecured general creditor of the Company. The Program shall be unfunded. The Company may maintain bookkeeping accounts with respect to Participants who are entitled to bonuses under the Program, but such accounts shall be used merely for bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by interests in bonuses nor shall the Program be construed as providing for any such segregation.
5. Committee Administration. The Program shall be administered by the Committee and, to the extent specified herein, the President. The Committee and, to the extent specified herein, the President shall have complete discretion and authority to administer the Program and to interpret the provisions of the Program. Any determination, decision, or action of the Committee or the President in connection with the construction, interpretation, administration, or application of the Program shall be final, conclusive, and binding upon all persons, and shall be given the maximum deference permitted by law. The Committee may amend or terminate the Program at any time without the consent of any Participant by adoption of a written instrument.
6. Miscellaneous.
 - a. The Company shall withhold all applicable taxes and other amounts required by law to be withheld from any bonus payment, including any non-U.S., federal, state, and local taxes.
 - b. A Participant's rights under this Program will not be assignable, transferable, pledged, or in any manner alienated, whether by operation of law or otherwise, except as a result of death or incapacity where such rights are passed pursuant to a will or by operation of law.
 - c. Any assignment, transfer, pledge, or other disposition in violation of this provision will be null and void.

CHIEF MARKETING OFFICER BONUS PROGRAM

- d. Nothing in the Program shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employment of the Company. Bonuses payable hereunder shall constitute special discretionary incentive payments to the Participants and will not be required to be taken into account in computing the amount of salary or compensation of the Participants for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Company or under any agreement with a Participant, unless the Company specifically provides otherwise.
- e. The Program and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the Code, shall be governed by the law of the State of Texas, without giving effect to conflict or choice of laws provisions thereof.
- f. This Program shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participants, and their heirs, assigns, and personal representatives.
- g. The captions used in this Program are for convenience only and shall not be construed in interpreting the Program.
- h. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall also include the plural, and conversely.
- i. This Program constitutes the final and complete expression of agreement with respect to the subject matter hereof and may not be amended except by a written instrument adopted by the Committee.

OFFICER BONUS PROGRAM

Exhibit 10(aa)

This 2021 Officer Bonus Program (the "Program") is designed to reward eligible Officers of National Western Life Insurance Company (the "Company") for their performance in assisting the Company in achieving pre-determined sales targets while managing to its expense and profit criteria. A CEO, President, Executive Vice President, Senior Vice President, Vice President, or Assistant Vice President of the Company who is designated by the Committee as a participant in the Program (a "Participant") shall be eligible to receive a bonus hereunder.

The Program was adopted by the Compensation and Stock Option Committee of the Board of Directors of National Western Life Group Inc. (the "Committee") on December 9, 2020.

I. Goals/Performance Payout:

1. The Plan incorporates four (4) measurable performance factors: (1) Company sales, which are defined as Single Premium Life total placed premium sales (LTRS sales) plus net annualized target premium for Non-LTRS sales (in aggregate "Life Sales"), and Annuities total placed premium ("Annuity Sales"), (2) Company expense management, (3) overall profitability and (4) achievement of specific objectives by Participants as assessed by the senior staff and the President.
2. The bonus percentages included in the tables below pertain to Participants who are eligible officers at the CEO, President, Executive Vice President, Senior Vice President, Vice President and Assistant Vice President levels. The bonus percentages for Participants who are Vice Presidents are determined using one-half of the bonus percentages shown for Senior Vice Presidents. The bonus percentages for Participants who are Assistant Vice Presidents are determined by using one-fourth of the bonus percentages shown for Senior Vice Presidents.
3. The target bonus percentage under the program is 110% for the CEO, 100% for the President, 50% for Executive Vice President, 35% for Senior Vice Presidents, 17.5% for Vice Presidents, and 8.75% for Assistant Vice Presidents. The maximum bonus percentage under the Program is 150% for the CEO, 130% for the President, 65% for Executive Vice President, 45.00% for Senior Vice Presidents, 22.50% for Vice Presidents, and 11.25% for Assistant Vice Presidents. The targeted weighting of the total bonus percentage for the CEO and President (applied to Base Salary (as defined below)) for the three measurable performance factors is 30% for sales performance, 30% for expense management performance, and 40% for profitability. The targeted weighting of the total bonus percentage for EVP, SVP and below (applied to Base Salary (as defined below)) for the three measurable performance factors is 25% for sales performance, 25% for expense management performance, and 50% for profitability. Actual results will be compared to the target grids and can either increase or decrease each of the individual performance factor bonus percentages as explained in the following sections. For purposes of the Program, the Base Salary of each Participant is his annual base salary for 2021 (prorated for Participants who are not employed by the Company for the entire 2021 performance period from January 1, 2021 through December 31, 2021) as certified by the Committee in its sole discretion.

OFFICER BONUS PROGRAM

4. Once the percentage amount has been determined, as described in the previous paragraph, 50% of that amount will be “at risk” and subject to successful completion of individual objectives as assessed by the President. The objectives will be established by each Participant and approved by the President before the end of the first quarter of 2021. The President will present recommendations to the Committee after the end of the 2021 performance cycle as to the actual award to be paid based on his assessment of achievement.

II. Company Sales Component:

1. The sales component of the Program is further subdivided between Life Sales and Annuity Sales. For 2021, the sales goals for each line of business of the Company are:
- Life Sales -- \$220,000,000
 - Annuity Sales -- \$480,000,000
2. The Company’s New Business Market Summary Report (NWAR60), and its equivalent from each of the Company’s policy administration systems operational during 2021, will be the source of sales results for purposes of this Program. The bonus percentage corresponding with each sales production levels achieved in 2021 will be applied to 100% of the Participant’s Base Salary in accordance with the following grids:

	CEO & President		EVP		SVP*	
	Life Sales	Bonus %	Life Sales	Bonus %	Life Sales	Bonus %
Threshold	\$180,000,000	7.50%	\$180,000,000	3.75%	\$180,000,000	3.125%
	Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target	
Target	\$220,000,000	15.00%	\$220,000,000	6.25%	\$220,000,000	4.375%
Payout % for sales at or above Target level	All sales above Target level will be calculated on a sliding scale with straight line interpolation		All sales above Target level will be calculated on a sliding scale with straight line interpolation		All sales above Target level will be calculated on a sliding scale with straight line interpolation	

***Reduce by one-half for participants who are Vice Presidents and by three-fourths for participants who are Assistant Vice Presidents.**

	CEO & President		EVP		SVP*	
	Annuity Sales	Bonus %	Annuity Sales	Bonus %	Annuity Sales	Bonus %
Threshold	\$300,000,000	7.50%	\$300,000,000	3.75%	\$300,000,000	3.125%
	Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target	
Target	\$480,000,000	15.00%	\$480,000,000	6.25%	\$480,000,000	4.375%
Payout % for sales at or above Target level	All sales above Target level will be calculated on a sliding scale with straight line interpolation		All sales above Target level will be calculated on a sliding scale with straight line interpolation		All sales above Target level will be calculated on a sliding scale with straight line interpolation	

***Reduce by one-half for participants who are Vice Presidents and by three-fourths for participants who are Assistant Vice Presidents.**

OFFICER BONUS PROGRAM

- If Life Sales or Annuity Sales, as applicable, for a segment is below the threshold amount for that segment, no bonus percentage will be earned for that segment.
- Bonus percentages associated with the Life Sales and Annuity Sales component of the Program are not capped.

III. Company Expense Management Component:

- The expense component of the Program is based upon a ratio of actual cost center expenses to budgeted cost center expenses. For purposes of this measurement, expenses pertaining to Marketing cost centers (500 and 700 cost center series) are excluded.
- Actual cost center expenses will be compared to budgeted expenses for purposes of determining a ratio. The “par” ratio of actual expenses to targeted expenses is 100% for this bonus component. The bonus percentage corresponding with the actual expense to targeted expense ratio achieved will be applied to 100% of each Participant’s Base Salary in accordance with the following grid:

	CEO & President		EVP		SVP*	
	Ratio of Actual Expense to Targeted Expense	Bonus %	Ratio of Actual Expense to Targeted Expense	Bonus %	Ratio of Actual Expense to Targeted Expense	Bonus %
Threshold	Above 109%	0.00%	Above 109%	0.00%	Above 109%	0.00%
	Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target	
Target	100%	30.00%	100%	12.50%	100%	8.75%
Payout % for results below Target level	All results below Target level will be calculated on a sliding scale with straight line interpolation		All results below Target level will be calculated on a sliding scale with straight line interpolation		All results above Threshold level will be calculated on a sliding scale with straight line interpolation	

***Reduce by one-half for participants who are Vice Presidents and by three-fourths for participants who are Assistant Vice Presidents.**

- For purposes of the expense component, special consideration may be given at the discretion of the Compensation Committee for items of an unusual and/or non-recurring nature (e.g., lawsuit settlements, excess pension contributions) that are beyond the control of Company management.
- Bonus percentages associated with the expense component of the Program are not capped.

IV. Company Profitability Component:

- The profitability component of the Program is based upon the consolidated GAAP return on assets (ROA) percentage as derived from the segment results reported in National Western Life Group, Inc.’s (NWLGI)’s Form 10-K. The ROA percentage is calculated as the sum of GAAP segment net operating earnings divided by the sum of the beginning of the year GAAP segment assets. Segment GAAP net operating earnings are after federal income taxes but exclude realized gains and losses on investments. As the GAAP results, including segment information, reported in the Form 10-K are audited by the Company’s independent auditors, the ROA calculation will be finalized at the time NWLGI’s Form 10-K for the year is filed with the SEC.

OFFICER BONUS PROGRAM

2. The bonus percentage corresponding with the actual ROA percentage for 2021 will be applied to 100% of each Participant's Base Salary in accordance with the following grid:

	CEO		President	
	ROA %	Bonus %	ROA %	Bonus %
Threshold	0.65%	25.00%	0.65%	20.00%
	Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target	
Target	0.85%	50.00%	0.85%	40.00%
Payout % for results at or above Target level	All results above Target level will be calculated on a sliding scale with straight line interpolation		All results above Target level will be calculated on a sliding scale with straight line interpolation	

	EVP		SVP*	
	Ratio of Actual Expense to Targeted Expense	Bonus %	ROA %	Bonus %
Threshold	Above 109%	0.00%	0.65%	12.50%
	Bonus % interpolated between Threshold & Target		Bonus % interpolated between Threshold & Target	
Target	100%	12.50%	0.85%	17.50%
Payout % for results below Target level	All results below Target level will be calculated on a sliding scale with straight line interpolation		All results above Target level will be calculated on a sliding scale with straight line interpolation	

*Reduce by one-half for participants who are Vice Presidents and by three-fourths for participants who are Assistant Vice Presidents.

- If the actual ROA percentage achieved in 2021 is less than the threshold amount shown (0.65%), no bonus percentage will be earned.
- Bonus percentages associated with the profitability component of the Program are not capped.

V. **Administration:**

- Determination of Bonuses.** After audited GAAP financial statements become available for the 2021 performance period, the Committee shall determine the extent to which the first 3 measurable performance factors have been achieved and take into consideration the President's assessment of achievement towards goals and objectives of each participant and determine the bonus percentage for each Participant for 2021. The Committee shall certify such determination in writing. The Company's independent auditors will also review the calculation of the bonus percentage for compliance with the details of this Program as part of the Company's audited financial statements. Notwithstanding any contrary provision of the Program, the Committee, in its sole discretion, may eliminate or reduce the bonus payable to any Participant below that which otherwise would be payable under the Program formula.

OFFICER BONUS PROGRAM

2. Timing and Form of Payment. After the bonus amount is certified by the Committee, the bonuses shall be paid in cash in a single lump sum. Such payment shall occur on or after January 1, 2022 and on or before March 15, 2022. Bonus payments are intended to qualify as short-term deferrals under section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and shall be paid not later than the latest specified payment date (March 15, 2022). The Company shall have the authority to delay the payment of any bonus under the Program to the extent it deems necessary or appropriate to comply with Code section 409A(a)(2)(B)(i).
3. Effect of Termination.
 - a. If a Participant terminates employment with the Company for any reason after the end of the 2021 performance period but prior to the date the bonus for such period is paid, the Participant shall be entitled to payment of the bonus determined by the Committee, subject to reduction or elimination under the last sentence of the "Determination of Bonuses" paragraph above based on the circumstances surrounding such termination of employment.
 - b. If a Participant terminates employment with the Company prior to the end of the applicable 2021 Performance Period for any reason other than termination for cause by the Company (as determined by the Committee in its sole discretion), the Committee shall reduce the Participant's bonus proportionately based on the date of termination (and subject to further reduction or elimination under the last sentence of the "Determination of Bonuses" paragraph above based on the circumstances surrounding such termination of employment).
 - c. If a Participant is terminated for cause by the Company prior to the payment of any bonus, no bonus shall be payable hereunder.
 - d. If a Participant dies prior to the payment of a bonus payable hereunder, the bonus shall be paid to the Participant's beneficiary of record.
4. Source of Payments. Bonuses that may become payable under the Program shall be paid solely from the general assets of the Company. The rights of each Participant (and any person claiming entitlement by or through a Participant) hereunder shall be solely those of an unsecured general creditor of the Company. The Program shall be unfunded. The Company may maintain bookkeeping accounts with respect to Participants who are entitled to bonuses under the Program, but such accounts shall be used merely for bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by interests in bonuses nor shall the Program be construed as providing for any such segregation.
5. Committee Administration. The Program shall be administered by the Committee and, to the extent specified herein, the President. The Committee and, to the extent specified herein, the President shall have complete discretion and authority to administer the Program and to interpret the provisions of the Program. Any determination, decision, or action of the Committee or the President in connection with the construction, interpretation, administration, or application of the Program shall be final, conclusive, and binding upon all persons, and shall be given the maximum deference permitted by law. The Committee may amend or terminate the Program at any time without the consent of any Participant by adoption of a written instrument.

OFFICER BONUS PROGRAM6. Miscellaneous.

- a. The Company shall withhold all applicable taxes and other amounts required by law to be withheld from any bonus payment, including any non-U.S., federal, state, and local taxes.
- b. A Participant's rights under this Program will not be assignable, transferable, pledged, or in any manner alienated, whether by operation of law or otherwise, except as a result of death or incapacity where such rights are passed pursuant to a will or by operation of law.
- c. Any assignment, transfer, pledge, or other disposition in violation of this provision will be null and void.
- d. Nothing in the Program shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employment of the Company.
- e. Bonuses payable hereunder shall constitute special discretionary incentive payments to the Participants and will not be required to be taken into account in computing the amount of salary or compensation of the Participants for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Company or under any agreement with a Participant, unless the Company specifically provides otherwise. T
- f. The Program and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the Code, shall be governed by the law of the State of Texas, without giving effect to conflict or choice of laws provisions thereof.
- g. This Program shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participants, and their heirs, assigns, and personal representatives.
- h. The captions used in this Program are for convenience only and shall not be construed in interpreting the Program.
- i. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall also include the plural, and conversely.
- j. This Program constitutes the final and complete expression of agreement with respect to the subject matter hereof and may not be amended except by a written instrument adopted by the Committee.