

# **NATIONALWESTERN LIFE INSURANCE COMPANY COMPENSATION COMMITTEE CHARTER**

## **PURPOSE**

The purposes of the Compensation Committee (the “Committee”) pursuant to this charter are to discharge the responsibilities of National Western Life Group, Inc.’s (“Company”) Board of Directors (the “Board”) with respect to compensation matters for the Company’s, and its subsidiaries’, officers and other employees and consultants to the extent set forth herein, administer the Company’s equity and other compensation plans, and take or cause to be taken such other actions and address such other matters as the Board may from time to time authorize the Committee to undertake or assume responsibility for.

## **COMPOSITION**

The Committee will be comprised of at least two members of the Board of Directors. Such members will be appointed by and serve at the discretion of the Board. Each Committee member will serve on the Committee during his or her respective term as a Board member, subject to earlier removal by a majority vote of the Board. Unless a chair is elected by the Board, the members of the Committee may designate a chair by vote of the Committee. Each member of the Committee will be (1) “independent” as defined under applicable Nasdaq rules (except as otherwise permitted under such rules), (2) a “non-employee director” under Rule 16b-3 as promulgated under the Securities Exchange Act of 1934, and (3) an “outside director” under the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986.

In the event that the Committee has three or more members and one or more members of the Committee are absent from a meeting of the Committee or being present at a meeting recuse themselves from taking action, the remaining members of the Committee (provided there are at least two such members), acting unanimously, shall have the power to take any necessary action. No action of the Committee shall be valid unless taken pursuant to a resolution adopted and approved by at least two members of the Committee. No member of the Committee shall participate in any discussions or deliberations relating to such person’s own compensation or other matters in which such person has a material interest.

## **RESPONSIBILITIES**

The Committee is charged by the Board with the responsibility to:

1. Determine the amount and form of compensation paid to the Company’s officers and to review the performance of such persons in order to determine appropriate compensation, as well as to establish the Company’s general compensation policies and practices and to administer plans and arrangements established pursuant to such policies and practices, to take such action, and to direct the Company to take such action, as is necessary and advisable to compensate such persons and to implement such policies and practices in a manner consistent with its determinations.

2. Determine the amount and form of compensation paid to the Company's Chief Executive Officer ("CEO") and Chief Operating Officer ("COO"), to take such action, and to direct the Company to take such action, as is necessary and advisable to compensate the CEO and COO in a manner consistent with its determinations, and to review at least annually the CEO's and COO's performance, including in light of goals and objectives established for such performance, including the relationship of such compensation to corporate performance, and in light of such review determine their compensation.
3. Select, engage, compensate, and terminate compensation consultants, legal counsel, and such other advisors as it deems necessary and advisable to assist the Committee in carrying out its responsibilities and functions as set forth herein.
4. Approve any officer employment agreements, severance arrangements, change-in-control arrangements, or special or supplemental employee benefits, and any material amendments to any of the foregoing.
5. Administer the Company's equity compensation plans, including without limitation to approve the adoption of such plans, to reserve shares of common stock for issuance thereunder, to amend and interpret such plans and the awards and agreements issued pursuant thereto, and to make awards to eligible persons under the plans and determine the terms of such awards.
6. Review and approve, subject to shareholder or Board approval as required, the creation or amendment of any incentive, equity-based, and other compensatory plans of the Company (other than amendments to tax-qualified employee benefit plans and trusts, and any supplemental plans thereunder, that do not substantially alter the costs of such plans to the Company or are simply to conform such plans to applicable laws or regulations).
7. Review periodically the compensation and benefits offered to nonemployee directors and recommend changes to the Board as appropriate.
8. Review and discuss the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission ("SEC") with management and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
9. Produce the annual Compensation Committee Report for inclusion in the Company's proxy statement in compliance with the rules and regulations promulgated by the SEC.
10. Provide minutes of Committee meetings to the Board, and report to the Board on any significant matters arising from the Committee's work.
11. Make regular reports to the Board with respect to significant actions and determinations made by the Committee.

12. At least annually, review and reassess this Charter and, if appropriate, recommend changes to the Board.
13. Periodically review its own performance and report on its conclusions in this regard to the Board.
14. Perform such other duties and responsibilities as may be assigned to the Committee by the Board, as designated in plan documents, as are required by law and applicable Nasdaq rules, or as are otherwise necessary and advisable, in its or the Board's discretion, to the efficient discharge of its duties hereunder.
15. Meet as frequently as necessary, but at least twice annually, in order to carry out their responsibilities hereunder. The Committee, as its discretion, may meet in separate executive sessions with other directors, with its advisors, or with Company officers, employees, or representatives invited by the Committee; provided, however, that the CEO and COO may not be present during deliberations or voting involving their compensation.

## **AUTHORITY**

By adopting this Charter, the Board delegates to the Committee full authority in its discretion to:

1. Perform each of the responsibilities of the Committee described above; provided, however, to the extent permitted by applicable law, that the Board retains the authority to authorize one or more officers of the Company to designate officers and employees to be recipients of rights or options created by the Company or to determine the number of such rights or options to be received by such officers or employees.
2. Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee or a subcommittee.
3. Appoint a chair of the Committee, unless a chair is designated by the Board.
4. Engage and terminate compensation consultants, independent counsel, and such other advisers as the Committee determines necessary to carry out its responsibilities, and approve the fees and other terms of retention of any such consultants and other advisers.
5. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to any compensation consultants, independent counsel, or other advisers engaged by the Committee.

Approved and Adopted by the Board of Directors of National Western Life Group, Inc. on September 28, 2015.