

National Western Life Group, Inc.

Form S-4

April 06, 2015

As filed with the Securities and Exchange Commission on April 6, 2015

Registration No. 333-

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form S-4  
REGISTRATION STATEMENT  
UNDER THE  
SECURITIES ACT OF 1933

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National Western Life Group, Inc.  
(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization) 850 East Anderson Lane Austin, Texas 78752-1602 (512) 836-1010 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	6311 (Primary Standard Industrial Classification Code Number)	47-3339380 (I.R.S. Employer Identification Number)
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Ross R. Moody  
President and Chief Operating Officer  
National Western Life Group, Inc.  
850 East Anderson Lane  
Austin, Texas 78752-1602  
(512) 836-1010  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Copy to:  
B. Scott Burton, Esq.  
Harry S. Pangas, Esq.  
Sutherland Asbill & Brennan LLP  
700 Sixth Street, NW  
Washington, DC 20001  
(202) 383-0100

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Class A Common Stock, par value \$0.01 per share	3,457,935 (1)	\$254.40 (2)	\$879,698,664	\$102,221
Class B Common Stock, par value \$0.01 per share	200,000 (3)	\$428.01 (4)	\$85,602,000	\$9,947
Total				\$112,168

(1) Represents the maximum number of shares of Class A Common Stock of the registrant (a) issuable to existing holders of Class A Common Stock of National Western Life Insurance Company upon conversion of their shares of National Western Life Insurance Company Class A Common Stock into shares of Class A Common Stock of the registrant and (b) reserved for issuance upon exercise of outstanding stock options and other equity awards of National Western Life Insurance Company that will be converted into stock options and other equity awards of the registrant, in each such case in connection with the holding company reorganization described in this registration statement on Form S-4.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and 457(c) under the Securities Act of 1933, as amended. The proposed maximum offering price per share is estimated based on the average of the high and low sales price for the Class A Common Stock of National Western Life Insurance Company, as reported on the NASDAQ Stock Market LLC on March 31, 2015, whose shares of Class A Common Stock will be exchanged for shares of the registrant’s Class A Common Stock as a result of the holding company reorganization described this registration statement on Form S-4.

(3) Represents the maximum number of shares of Class B Common Stock of the registrant to be issued upon the completion of the holding company reorganization described in this registration statement on Form S-4.

(4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended. The proposed maximum offering price per share is estimated based on the book value as of December 31, 2014 of the Class B Common Stock of National Western Life Insurance Company, whose shares of Class B Common Stock will be exchanged for shares of the registrant’s Class B Common Stock as a result of the holding company reorganization described this registration statement on Form S-4.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended,

or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

The proxy statement/prospectus that forms a part of this registration statement consists of (i) a proxy statement relating to the annual meeting of shareholders of National Western Life Insurance Company, a Colorado corporation and (ii) a prospectus relating to the common stock of National Western Life Group, Inc., a Delaware corporation.

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The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer and sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 6, 2015

National Western Life Insurance Company

## PROXY STATEMENT/PROSPECTUS

### A REORGANIZATION IS PROPOSED-YOUR VOTE IS VERY IMPORTANT

May 4, 2015

To Our Shareholders:

We cordially invite you to attend the 2015 Annual Meeting of Shareholders of National Western Life Insurance Company (“we,” “us,” “our” or “NWLIC”) to be held on June 19, 2015 at 9 a.m., local time, at the Moody Gardens Hotel at Seven Hope Boulevard, Galveston, Texas 77554.

At the annual meeting, in addition to electing directors and ratifying the appointment of our independent registered public accounting firm, you will be asked to consider and vote on a proposal to reorganize our company into a holding company pursuant to which our present company will become a subsidiary of a newly formed Delaware corporation named National Western Life Group, Inc., which we refer to in this proxy statement/prospectus as “Newco,” and you will become a shareholder of Newco. We refer to this proposal in the proxy statement/prospectus as the “Reorganization Proposal.” You will also be asked to approve two additional proposals. The first is to elect 10 members to our board of directors. The second is to ratify the appointment of BKD, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Upon completion of the reorganization described above, Newco will, in effect, replace NWLIC as the publicly held corporation. Newco and its subsidiaries will conduct all of the operations we currently conduct. Implementing the holding company structure will provide us with strategic, operational and financing flexibility, and incorporating the new holding company in Delaware will allow us to take advantage of the flexibility, predictability and responsiveness that Delaware corporate law provides.

In the reorganization, your existing shares of our Class A and Class B common stock will be converted automatically into shares of Newco Class A and Class B common stock, respectively. You will own the same number of shares of Newco Class A and Class B common stock as you now own of our common stock, and your shares will represent the same ownership percentage of Newco as you have of us. In addition, the reorganization generally will be tax-free for our shareholders. Your rights as a shareholder of Newco will be substantially the same as your rights as a shareholder of NWLIC, subject to certain differences described herein.

We expect the shares of Newco Class A common stock to trade under the ticker symbol “NWLI” on the NASDAQ Stock Market (“NASDAQ”), the same ticker symbol currently used for the trading of NWLIC’s Class A common stock on NASDAQ. On , 2015, the last trading day before the announcement of the Reorganization Proposal, the closing price per share of NWLIC’s Class A common stock was \$ . On , 2015, the most recent trading day for which prices were available, the closing price per share of NWLIC’s Class A common stock was \$ . There is no established public trading market for the NWLIC’s Class B common stock, and we do not expect there to be an established trading market for Newco’s Class B common stock.

In order to implement the Reorganization Proposal, we need shareholders to adopt and approve the related Agreement and Plan of Merger (the “Reorganization Agreement”). Our Board of Directors has carefully considered the Reorganization Agreement, which provides for the merger of NWLIC and a subsidiary of Newco called NWLIC MergerCo, Inc., and the related transactions described in this proxy statement/prospectus, and the Board of Directors believes that they are advisable, fair to, and in the best interest of our shareholders, and recommends that you vote

“FOR” the Reorganization Proposal and “FOR” the other proposals described in this proxy statement/prospectus. Because adoption of the Reorganization Proposal requires the affirmative vote of holders of at least two-thirds of the outstanding shares of each of the Class A Stock and Class B Stock at the annual meeting, your vote is important, no matter how many or how few shares you may own. Whether or not you plan to attend the annual meeting, please take the time to vote by completing, signing and mailing the enclosed proxy card in the postage-paid envelope provided or by voting by telephone or over the Internet.

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Our Board of Directors and management look forward to greeting those of you who are able to attend the annual meeting. For additional information about NWLIC, please see the enclosed annual report on Form 10-K for the fiscal year ended December 31, 2014. The accompanying notice of meeting and this proxy statement/prospectus provide specific information about the annual meeting and explain the various proposals. Please read these materials carefully. In particular, you should consider the discussion of risk factors beginning on page 8 before voting on the Reorganization Proposal.

Thank you for your continued support of and interest in our company.

Sincerely,

/S/ Robert L. Moody  
Robert L. Moody  
Chairman of the Board  
and Chief Executive Officer

Neither the Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. This proxy statement/prospectus is dated and is being first sent to NWLIC shareholders on or about , 2015.

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National Western Life Insurance Company  
850 East Anderson Lane  
Austin, Texas 78752-1602  
(512) 836-1010

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of National Western Life Insurance Company:

The 2015 Annual Meeting of Shareholders (“Annual Meeting”) of National Western Life Insurance Company (the “Company” or “NWLIC”) will be held on Friday, June 19, 2015 at the Moody Gardens Hotel at Seven Hope Boulevard, Galveston, Texas 77554 at 9:00 a.m. local time for the following purposes:

1. To consider and vote upon a proposal, which we refer to as the “Reorganization Proposal,” approving the Agreement and Plan of Merger, dated as of April 6, 2015, by and among National Western Life Insurance Company, National Western Life Group, Inc. and NWLIC MergerCo, Inc., which agreement is included in the accompanying proxy statement/prospectus as Annex I;
2. To elect four designees of holders of Class A Stock and six designees of holders of Class B Stock, for a total of 10 members to the board of directors of NWLIC, who shall hold office until the next annual shareholders’ meeting or until their respective successors have been elected or appointed;
3. To ratify the appointment of the firm of BKD, LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015;
4. To transact other business that may properly come before the Annual Meeting, or any adjournment or adjournments thereof.

These items are fully described in the proxy statement, which is part of this notice. The Company has not received notice of other matters that may be properly presented at the Annual Meeting.

Pursuant to the rules of the Securities and Exchange Commission, NWLIC has elected to provide access to our proxy materials over the Internet. Accordingly, we will mail, beginning on or about May 4, 2015, a Notice of Internet Availability of Proxy Materials to our shareholders of record and beneficial owners as of the record date of April 20, 2015. All shareholders and beneficial owners will have the ability to access all of the proxy materials on a website referenced in the Notice of Internet Availability of Proxy Materials as of the date of mailing of the Notice of Internet Availability of Proxy Materials.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS:** Copies of the proxy statement and the Annual Report on Form 10-K for the year ended December 31, 2014, are available at <http://www.cstproxy.com/nationalwesternlife/2015>.

The Board of Directors of the Company has fixed the close of business on April 20, 2015 as the record date for the determination of the shareholders entitled to notice of and to vote at the Annual Meeting or any adjournment or adjournments thereof. A complete list of shareholders will be open to examination by any shareholder for any purpose germane to the Annual Meeting between the hours of 9:00 a.m. and 5:00 p.m., local time, at the offices of the Company at 850 East Anderson Lane, Austin, Texas 78752-1602 for ten days prior to the Annual Meeting. If you would like to view the shareholder list, please call the Company Secretary at (512) 836-1010 to schedule an appointment. The list will also be available at the Annual Meeting and may be inspected by any shareholder who is

present.

Regardless of the number of shares of National Western Life Insurance Company common stock you hold, as a shareholder your vote is important and the Board of Directors of the Company strongly encourages you to exercise your right to vote. To ensure your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the Annual Meeting.

By Order of the Board of Directors

May 4, 2015

/S/ Rey Perez

Rey Perez

Senior Vice President - Chief Legal Officer and  
Secretary

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IMPORTANT

SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND IN PERSON ARE URGED TO VOTE VIA THE INTERNET OR BY PHONE, OR REQUEST PAPER COPIES OF THE PROXY MATERIALS AND COMPLETE, SIGN, DATE, AND RETURN A PROXY CARD AS PROMPTLY AS POSSIBLE TO ENSURE ITS ARRIVAL IN TIME FOR THE ANNUAL MEETING.

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## ADDITIONAL INFORMATION

National Western Life Group, Inc. (“Newco”) has filed a registration statement on Form S-4 to register with the SEC the shares of Class A and Class B common stock of Newco into which each outstanding share of Class A and Class B common stock, respectively, of NWLIC will be converted automatically in the reorganization described herein. This proxy statement/prospectus is part of that registration statement and constitutes a prospectus of Newco in addition to being a proxy statement of NWLIC for the annual meeting.

The SEC allows us to “incorporate by reference” information into this proxy statement/prospectus, which means that we can disclose important information to you by referring you to another document filed separately by NWLIC with the SEC. This proxy statement/prospectus incorporates important business and financial information about NWLIC from its annual report on Form 10-K for the year ended December 31, 2014 and from other documents that are not included in or being delivered with this proxy statement/prospectus. The information incorporated by reference is deemed to be part of this proxy statement/prospectus except for any information superseded by information in this proxy statement/prospectus or in any document subsequently filed with the SEC that is also incorporated by reference. See “Documents Incorporated by Reference” under “Where You Can Find More Information.”

The incorporated information that is not included in or being delivered with this proxy statement/ prospectus is available to you without charge upon your written or oral request. You can obtain any document that is incorporated by reference in this proxy statement/prospectus, excluding all exhibits that have not been specifically incorporated by reference, by requesting it in writing or by telephone from us at the following address or telephone number:

National Western Life Insurance Company

850 East Anderson Lane

Austin, Texas 78752-1602

(512) 836-1010

or by visiting our website at [www.nationalwesternlife.com](http://www.nationalwesternlife.com). Information on NWLIC’s website is not incorporated by reference into this proxy statement/prospectus or made a part hereof for any purpose.

You may read and copy any of the information on file with the SEC at the SEC’s public reference room, located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. NWLIC’s SEC filings are also available on the SEC’s website located at <http://www.sec.gov>.

You should rely only on the information contained in this proxy statement/prospectus or that to which we have referred you. We have not authorized anyone to provide you with any additional information. This proxy statement/prospectus is dated as of the date listed on the cover page. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than such date and neither the mailing of this proxy statement/prospectus to shareholders, nor the issuance of shares of Newco Class A and Class B common stock in the reorganization, shall create any implication to the contrary.

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ANNEX I - AGREEMENT AND PLAN OF MERGER

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National Western Life Insurance Company  
850 East Anderson Lane  
Austin, Texas 78752-1602  
(512) 836-1010

PROXY STATEMENT/PROSPECTUS  
2015 ANNUAL MEETING OF SHAREHOLDERS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS: Copies of this Proxy Statement and the Annual Report on Form 10-K for the year ended December 31, 2014 are available at <http://www.cstproxy.com/nationalwesternlife/2015>.

This proxy statement/prospectus and the accompanying proxy are being made available to shareholders on or about May 4, 2015 in connection with the solicitation by the Board of Directors (the "Board of Directors") of National Western Life Insurance Company of proxies to be used at the 2015 Annual Meeting of Shareholders (the "Annual Meeting") of National Western Life Insurance Company to be held on Friday, June 19, 2015 at the Moody Gardens Hotel at Seven Hope Boulevard, Galveston, Texas 77554 at 9:00 a.m. local time. Our principal executive offices are located at 850 East Anderson Lane, Austin, Texas 78752-1602. Unless the context requires otherwise, references in this proxy statement/prospectus to "NWLIC," "the Company," "we," "us," or "our" refer to National Western Life Insurance Company.

PURPOSES OF THE ANNUAL MEETING

The purposes of the annual meeting are to:

1. Consider and vote upon a proposal, which we refer to as the "Reorganization Proposal," approving the Agreement and Plan of Merger, dated as of April 6, 2015, among National Western Life Insurance Company, National Western Life Group, Inc. and NWLIC MergerCo, Inc., which agreement is attached to this proxy statement/prospectus as Annex I (Proposal 1);
2. Elect four designees of holders of Class A Stock and six designees of holders of Class B Stock, for a total of 10 members to the board of directors of NWLIC, who shall hold office until the next annual shareholders' meeting or until their respective successors have been elected or appointed (Proposal 2);
3. Ratify the appointment of the firm of BKD, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal 3); and
4. Transact such other business as may properly come before the meeting or any adjournment thereof.

QUORUM AND VOTING

Holders of record of our Class A common stock, par value \$1.00 per share (the "Class A Stock"), and our Class B common stock, par value \$1.00 per share (the "Class B Stock" and, together with the Class A Stock, the "Common Stock"), at the close of business on April 20, 2015, will be entitled to notice of and to vote at the Annual Meeting or any adjournment or adjournments thereof. As of April 20, 2015, there were 3,436,166 shares of Class A Stock outstanding, held by holders of record and 200,000 shares of Class B Stock outstanding, held by two holders of record. The number of holders of record does not include any beneficial owners for whom shares of Common Stock may be held in "nominee" or "street" name.

Shareholders of record at the close of business on April 20, 2015 will be entitled to vote at the Annual Meeting. Each shareholder is entitled to one vote per share held by such holder on all matters coming before the Annual Meeting, except as otherwise described below.

The presence, in person or by proxy, of the holders of one-half (1/2) of the total of each of the Class A Stock and the Class B Stock will constitute a quorum at the Annual Meeting. If a quorum is not present or represented at the Annual Meeting, the shareholders entitled to vote thereat, present in person or represented by proxy, have the power to adjourn the Annual Meeting from time to time without further notice, other than announcement at the Annual Meeting, until a quorum is present. At such reconvened Annual Meeting at which a quorum is present, any business may be transacted as originally noticed. Abstentions and broker non-votes

1

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(shares held by a broker or nominee that does not have the authority to vote on a matter, and has not received instructions from the beneficial owner) are counted as present in determining whether the quorum requirement is met.

**Approval of the Reorganization Proposal.** The adoption of the Reorganization Proposal requires the affirmative vote of holders of at least two-thirds of the outstanding shares of each of the Class A Stock and Class B Stock at the annual meeting. Abstentions and broker-non votes will have the same effect as a vote against the Reorganization Proposal.

**Election of Directors.** Article 4 of our restated articles of incorporation, as amended (as so amended, the "restated articles of incorporation"), provides that the Class A shareholders have the exclusive right to elect one-third (1/3) of the members of our Board of Directors, plus one director for any remaining fraction, and that the Class B shareholders have the exclusive right to elect the remaining members of our Board of Directors. Our Bylaws provide that directors are elected by a plurality vote of each class of stock voting separately. Abstentions and broker non-votes will not have any impact on the result of the vote on this item.

In view of Robert L. Moody's ("Mr. Moody") ownership, as of April 20, 2015, of more than 99% of the Class B Stock outstanding, as well as Mr. Moody's ownership of 33.9% of the Class A Stock outstanding (see Stock Ownership table below), Mr. Moody holds the voting power to elect a majority of our Board of Directors. We are considered to be a controlled company, and Mr. Moody is the controlling shareholder.

**Ratification of Independent Registered Public Accounting Firm.** The affirmative vote of a majority of the shares of the Class A and Class B Common Stock, voting together as the same class, cast at the annual meeting, in person or by proxy, is required to ratify the appointment of BKD, LLP to serve as our independent registered public accounting firm. Abstentions will not have any impact on the result of the vote on this item.

The Inspector of Elections for the Annual Meeting will be Rey Perez, our Senior Vice President - Chief Legal Officer and Secretary, and he will tabulate the votes. We will announce preliminary voting results at the Annual Meeting. The final official voting results from the Annual Meeting will be disclosed in a Current Report on Form 8-K to be filed within four business days after the Annual Meeting.

You may vote your proxy by Internet, telephone, or mail, as explained below. Votes submitted electronically over the Internet or by telephone must be received by 7:00 p.m., Eastern Daylight Time, on June 18, 2015. Voting your proxy does not limit your right to vote in person should you decide to attend the Annual Meeting. The law of Colorado, under which NWLIC is incorporated, specifically permits electronically transmitted proxies, provided that each such proxy contains or is submitted with information from which the Inspector of Elections of the Annual Meeting can determine that such electronically transmitted proxy was authorized by the shareholder. If your shares are held in the name of a broker, bank, or other holder of record, you will be provided voting instructions from the holder of record. If you vote by Internet or telephone, please do not mail in a proxy card as it will revoke your Internet or telephone proxy.

**Internet.** Access the Internet voting site at <http://www.cstproxy.com/nationalwesternlife/2015>. Follow the on-screen instructions and be sure to have the control number listed on your proxy card available when you access the Internet voting site. Please note that shareholders that vote through the Internet must bear all costs associated with electronic access, including Internet access fees.

**Telephone.** Dial the toll free number found on your proxy card. Follow the voice prompts and be sure to have the control number listed on your proxy card available when you call.

**Mail.** If you requested printed copies of the proxy materials, you may vote by mail by simply marking, signing, dating, and returning the proxy card in the postage-prepaid envelope provided for your convenience.

If a shareholder properly uses the Internet voting procedures described on the proxy card, or calls the toll-free telephone number, or completes, signs, dates, and returns the proxy card, by 7:00 p.m., Eastern Daylight Time, on June 18, 2015, his, her, or its shares will be voted at the Annual Meeting in accordance with his, her, or its instructions. If a shareholder returns a proxy card unsigned or undated, his, her, or its vote cannot be counted. If a shareholder signs and dates a proxy card, but does not fill out the voting instructions on the proxy card, the shares

represented by the proxy will be voted in accordance with the Board of Directors' recommendations, as follows:

**FOR** the Reorganization Proposal;

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- FOR the election of each of the nominees to the Board of Directors to hold office until the next annual shareholders' meeting or until their respective successors have been elected or appointed;
  - FOR the ratification of the appointment of the firm of BKD, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015; and
- In addition, if any other matters properly come before the Annual Meeting, Ross R. Moody, our President and Chief Operating Officer, and Rey Perez, our Senior Vice President - Chief Legal Officer and Secretary, the named proxies, have discretionary authority to vote on those matters in accordance with their best judgment. The Board of Directors is not currently aware of any other matters that may come before the Annual Meeting.

#### REVOCABILITY OF PROXY

The proxy is for use at the Annual Meeting if a shareholder will be unable to attend in person. The proxy (whether submitted by mail, telephone, or Internet) may be revoked by a shareholder at any time before it is exercised on the date of the Annual Meeting by:

- executing and delivering a written notice of revocation to the Secretary of NWLIC at our principal executive offices;
- submitting a later-dated proxy by Internet in the manner specified above, by telephone in the manner specified above, or in writing to the Secretary of NWLIC at our principal executive offices; or
- attending and voting in person at the Annual Meeting.

Attendance at the Annual Meeting will not revoke a proxy unless a shareholder provides written notice of revocation to the Secretary of NWLIC before the proxy is exercised or unless the shareholder votes his or her shares in person at the Annual Meeting. Street name holders that vote by proxy may revoke their voting instructions in accordance with their broker's, bank's, or other nominee's procedures.

#### SOLICITATION

This solicitation is made on behalf of our Board of Directors. The cost of preparing, assembling, printing, and mailing the Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting of Shareholders, this proxy statement/prospectus, the proxy card, and any additional materials, as well as the cost of soliciting the proxies will be borne by us, including reimbursement paid to brokerage firms and other custodians, nominees, and fiduciaries for reasonable costs incurred in forwarding the proxy materials to, and solicitation of proxies from, the beneficial owners of shares held by such persons. In addition, our officers, directors and other regular employees, without additional compensation, may solicit proxies by mail, email, personal interview, telephone or other electronic transmission.

QUESTIONS AND ANSWERS  
ABOUT THE HOLDING COMPANY REORGANIZATION

What is the Reorganization Proposal?

We are asking you to approve an Agreement and Plan of Merger (the “Reorganization Agreement”) that would result in our reorganization into a Delaware holding company. Prior to entering into the Reorganization Agreement, National Western Life Group, Inc. (“Newco”) was incorporated in the State of Delaware as a wholly-owned subsidiary of National Western Life Insurance Company, a Colorado corporation (“NWLIC”), and NWLIC MergerCo, Inc. was incorporated in the State of Colorado as a wholly-owned subsidiary of Newco. Under the Reorganization Agreement, NWLIC will merge with NWLIC MergerCo, Inc., with NWLIC surviving the merger as a wholly-owned subsidiary of Newco (the “Reorganization”).

Upon completion of the Reorganization, Newco will, in effect, replace NWLIC as the publicly held corporation. Newco and its subsidiaries will conduct all of the operations we currently conduct. As a result of the Reorganization, the current shareholders of NWLIC will become stockholders of Newco with the same number and percentage of shares of Newco as they held of NWLIC prior to the Reorganization. The Reorganization Agreement, which sets forth the plan of merger and is the primary legal document that governs the Reorganization, is attached as Annex I to this proxy statement/prospectus. You are encouraged to read the Reorganization Agreement carefully.

Why are you forming a holding company?

We are forming a holding company in Delaware to:

- better align our corporate structure with our business operations;
- provide us with greater strategic, business and administrative flexibility, which may allow us to acquire or form other businesses, if and when appropriate and feasible, that may be owned and operated by us, but which could be separate from our current businesses; and
- take advantage of the benefits of Delaware corporate law.

What will happen to my stock?

In the Reorganization, your shares of NWLIC Class A common stock (“Class A Stock”) will automatically be converted into the same number of shares of Newco Class A common stock and your shares of NWLIC Class B common stock (“Class B Stock”) will automatically be converted into the same number of shares of Newco Class B common stock. As a result, you will become a stockholder of Newco and will own the same number and percentage of shares of Newco common stock that you now own of NWLIC common stock. We expect that Newco Class A common stock will be listed on the NASDAQ under the symbol “NWLI”, the same ticker symbol currently used by NWLIC. There is no established public trading market for the NWLIC’s Class B common stock and we do not expect there to be an established trading market for Newco’s Class B common stock.

How will being a Newco stockholder be different from being a NWLIC shareholder?

After the Reorganization, you will own the same number and percentage of the same class of shares of Newco common stock that you owned of such class of NWLIC common stock immediately prior to the Reorganization. You will own shares of a Delaware holding company that owns our operating businesses. In addition, as a stockholder of Newco, your rights will be governed by Delaware corporate law and the certificate of incorporation and bylaws of the Delaware corporation. Your rights as a stockholder of Newco will be substantially the same as your rights as a shareholder of NWLIC.

Will the management or the business of the company change as a result of the Reorganization?

No. The management and business of our company will remain the same after the Reorganization.

What will the name of the public company be following the Reorganization?

The name of the public company following the Reorganization will be “National Western Life Group, Inc.”

Will the company’s CUSIP number change as a result of the Reorganization?

Yes. Following the Reorganization, the CUSIP number for the Newco common stock will be 638517102.





Will I have to turn in my stock certificates?

No. Do not turn in your stock certificates. We will not require you to exchange your stock certificates as a result of the Reorganization. After the Reorganization, your NWLIC common stock certificates will represent the same number of the same class of shares of Newco common stock.

What are the material U.S. federal income tax consequences as a result of the Reorganization?

The proposed Reorganization is intended to be a tax-free transaction under U.S. federal income tax laws. We expect that you will not recognize any gain or loss for U.S. federal income tax purposes upon your receipt of Newco common stock in exchange for your shares of NWLIC common stock in the Reorganization; however, the tax consequences to you will depend on your own situation. You should consult your own tax advisors concerning the specific tax consequences of the Reorganization to you, including any state, local or foreign tax consequences of the Reorganization.

How will the Reorganization be treated for accounting purposes?

For accounting purposes, the Reorganization into a holding company structure will be treated as a merger of entities under common control. The accounting treatment for such events is similar to the former "pooling of interests method." Accordingly, the consolidated financial position and results of operations of NWLIC will be included in the consolidated financial statements of Newco on the same basis as currently presented.

What vote is required to approve the Reorganization Proposal?

The required vote is the affirmative vote of holders of at least two-thirds of the outstanding shares of each of the Class A Stock and Class B Stock at the annual meeting.

What percentage of the outstanding shares do directors and executive officers hold?

As of April 20, 2015, directors, executive officers, and their affiliates beneficially owned approximately % of our outstanding shares of Class A Stock and 99.8% of our outstanding shares of Class B Stock.

If the shareholders approve the Reorganization, when will it occur?

Unless the Board of Directors determines otherwise, we expect to complete the Reorganization in the latter part of 2015, provided that our shareholders approve the Reorganization and all other conditions to completion of the Reorganization are satisfied.

Do I have dissenters' (or appraisal) rights?

No. Holders of NWLIC common stock do not have dissenters' or appraisal rights under Colorado law as a result of the Reorganization.

What is the authorized capital of NWLIC and Newco?

NWLIC's restated articles of incorporation currently authorize the issuance of 7,500,000 shares of Class A Stock and 200,000 shares of Class B Stock. Newco's restated certificate of incorporation, which will govern the rights of our stockholders after the Reorganization, currently authorizes the issuance of 7,500,000 shares of Class A common stock and 200,000 shares of Class B common stock. Upon completion of the Reorganization, the number of shares of Newco Class A and Class B common stock that will be outstanding will be equal to the number of shares of NWLIC Class A Stock and Class B Stock outstanding immediately prior to the Reorganization.

Whom do I contact if I have questions about the Reorganization Proposal?

You may contact us at:

National Western Life Insurance Company

Attn: Rey Perez

850 East Anderson Lane

Austin, Texas 78752-1602

(512) 836-1010

## SUMMARY OF THE REORGANIZATION PROPOSAL

This section highlights key aspects of the Reorganization Proposal, including the Reorganization Agreement, that are described in greater detail elsewhere in this proxy statement/prospectus. It does not contain all of the information that may be important to you. To better understand the Reorganization Proposal, and for a more complete description of the legal terms of the Reorganization Agreement, you should read this entire document carefully, including the Annexes, and the additional documents to which we refer you. You can find information with respect to these additional documents in “Where You Can Find More Information.”

### The Principal Parties

National Western Life Insurance Company (Colorado corporation)

850 East Anderson Lane

Austin, Texas 78752-1602

(512) 836-1010

National Western Life Insurance Company, a Colorado corporation (“NWLIC”) is a stock life insurance company, chartered in the State of Colorado in 1956, and doing business in forty-nine states, the District of Columbia, and four U.S. territories or possessions.

In connection with the Reorganization, NWLIC will merge with NWLIC MergerCo, Inc., a wholly-owned subsidiary of Newco, with NWLIC surviving the merger as a wholly-owned subsidiary of Newco. After the Reorganization, NWLIC will continue to engage in the business currently conducted by NWLIC, and all of NWLIC’s contractual, employment and other business relationships will generally continue unaffected by the Reorganization, except that immediately following the merger, most of NWLIC’s executive management team and certain corporate-level employees will become employees of Newco.

NWLIC’s headquarters is located at 850 East Anderson Lane, Austin, Texas 78752-1602, and the telephone number at this location is (512) 836-1010. Information about NWLIC is available on its website at [www.nationalwesternlife.com](http://www.nationalwesternlife.com). The information on NWLIC’s website is not incorporated by reference herein and is not deemed to be part of this proxy statement/prospectus.

National Western Life Group, Inc. (Delaware corporation)

850 East Anderson Lane

Austin, Texas 78752-1602

(512) 836-1010

National Western Life Group, Inc., a Delaware corporation (“Newco”), was formed as a wholly-owned subsidiary of NWLIC in order to effect the Reorganization. Prior to the Reorganization, Newco will have no assets or operations other than those incident to its formation.

NWLIC MergerCo, Inc.

850 East Anderson Lane

Austin, Texas 78752-1602

(512) 836-1010

NWLIC MergerCo, Inc. (“MergerCo”) is a Colorado corporation and was formed as a wholly-owned subsidiary of Newco in order to effect the Reorganization. Prior to the Reorganization, MergerCo will have no assets or operations other than those incident to its formation.

### What You Will Receive in the Reorganization (Page 12)

In the Reorganization, each outstanding share of NWLIC’s Class A Stock will be converted automatically into one share of Newco Class A common stock and each share of NWLIC’s Class B Stock will be converted automatically into one share of Newco Class B common stock. In addition, each outstanding option to purchase shares of NWLIC Class A Stock, if not exercised before the completion of the Reorganization, will become an option to acquire, at the same exercise price, an identical number of shares of Newco Class A common stock. Each outstanding stock appreciation right (“SAR”) relating to NWLIC’s Class A Stock will be converted automatically into a SAR representing one share of Newco Class A common stock.

On the Record Date, there were outstanding 3,436,166 and 200,000 shares of NWLIC Class A Stock and Class B Stock, as well as options representing an aggregate of shares of NWLIC Class A Stock, and SARs.



#### Conditions to Completion of the Reorganization (Page 13)

The completion of the Reorganization depends on the satisfaction or waiver of a number of conditions, including, but not limited to, the following:

- absence of any stop order suspending the effectiveness of the registration statement, of which this proxy statement/prospectus forms a part, relating to the shares of Newco Class A and Class B common stock to be issued in the Reorganization;
- receipt by NWLIC of permits, authorizations, consents, approvals, or terminations or expirations of waiting periods as are required under applicable corporate and insurance laws;
- approval and adoption of the Reorganization Agreement by NWLIC's shareholders;
- receipt of approval for listing on the NASDAQ of shares of Newco Class A common stock to be issued in the Reorganization;
- absence of any order or proceeding that would prohibit or make illegal completion of the Reorganization; and
- receipt by NWLIC and Newco of a legal opinion of Sutherland Asbill & Brennan LLP with respect to the material U.S. federal income tax consequences of the Reorganization.

#### Termination of the Reorganization Agreement (Page 14)

We may terminate the Reorganization Agreement, even after adoption by our shareholders, if our Board of Directors determines that for any reason the completion of the Reorganization is inadvisable or not in the best interest of NWLIC or its shareholders.

#### Board of Directors and Executive Officers of Newco Following the Reorganization (Page 16)

The Board of Directors of Newco presently consists of the same persons comprising the Board of Directors of NWLIC and it is expected that the Newco Board of Directors will remain the same following the Reorganization. Newco expects that its senior management following the Reorganization will be substantially the same as that of NWLIC immediately prior to the Reorganization.

#### Markets and Market Prices

Newco Class A common stock is not currently traded on any stock exchange. NWLIC Class A Stock is traded under the symbol "NWLI" on the NASDAQ, and we expect Newco Class A common stock to also trade on the NASDAQ under the symbol "NWLI" following the Reorganization. On , 2015, the last trading day before the announcement of the Reorganization Proposal, the closing price per share of NWLIC Class A Stock as quoted on the NASDAQ was \$ . On , 2015, the most recent trading day for which prices were available, the closing price per share of NWLIC Class A Stock as quoted on the NASDAQ was \$ . There is no established public trading market for the NWLIC's Class B common stock and we do not expect there to be an established trading market for Newco's Class B common stock.

#### Certain Financial Information

We have not included pro forma financial comparative per share information concerning NWLIC that gives effect to the Reorganization because, immediately after the completion of the Reorganization, the consolidated financial statements of Newco will be the same as NWLIC's consolidated financial statements immediately prior to the Reorganization, and the Reorganization will result in the conversion of each share of NWLIC Class A Stock and Class B Stock into one share of Newco Class A and Class B common stock, respectively. In addition, we have not provided financial statements of Newco because, prior to the Reorganization, it will have no assets, liabilities, or operations other than incident to its formation.

## RISK FACTORS

In considering whether to vote in favor of the Reorganization Proposal, you should consider all of the information we have included in this proxy statement/prospectus, including its Annexes, and all of the information included in the documents we have incorporated by reference, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and the risk factors described in the other documents incorporated by reference. In addition, you should pay particular attention to the risks described below.

Our Board of Directors may choose to defer or abandon the Reorganization.

Completion of the Reorganization may be deferred or abandoned, at any time, by action of our Board of Directors, whether before or after the annual meeting. While we currently expect the Reorganization to take place in the latter part of 2015, assuming that the proposal to approve and adopt the Reorganization Agreement is approved at the annual meeting, our Board of Directors may defer completion or may abandon the Reorganization because of any determination by our Board of Directors that the Reorganization would be inadvisable or not in the best interest of NWLIC or its shareholders.

We may not obtain the expected benefits of our Reorganization into a holding company.

We believe our reorganization into a holding company will provide us with benefits in the future. These expected benefits may not be obtained if market conditions or other circumstances prevent us from taking advantage of the strategic, business, and financing flexibility that it affords us. As a result, we may incur the costs of creating the holding company without realizing the possible benefits.

As a holding company, Newco will depend in large part on dividends from its operating subsidiaries to satisfy its obligations. The amount of dividends that Newco can receive from its life insurance subsidiary, NWLIC, is limited by law.

After the completion of the Reorganization, Newco will be a holding company with no business operations of its own. Its only significant assets will be the outstanding capital stock of its subsidiaries, which will include NWLIC. As a result, it will rely on funds from its current subsidiaries and any subsidiaries that it may form or acquire in the future to meet its obligations.

The amount of dividends that Newco's life insurance company subsidiary, NWLIC, can pay is restricted under applicable insurance law and regulations. These restrictions are based, in part, on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior regulatory approval. Dividends in larger amounts, or extraordinary dividends, are subject to approval by the insurance commissioner of the relevant state of domicile. Under Colorado insurance law, an extraordinary dividend or distribution is defined as a dividend or distribution that, together with other dividends and distributions made within the preceding twelve months, exceeds the lesser of (1) 10% of the insurer's policyholder surplus as of the preceding December 31 or (2) the insurer's net gain from operations for the twelve-month period ended the preceding December 31, in each case determined in accordance with statutory accounting principles.

From time to time, the National Association of Insurance Commissioners, a national association of state insurance regulators that sets guidelines for statutory policies, procedures and reporting for insurers, have considered, and may in the future consider, proposals to further limit dividend payments that an insurance company may make without regulatory approval. No assurance is given that more stringent restrictions will not be adopted from time to time by the State of Colorado, which is the state in which NWLIC is domiciled, and such restrictions could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable to Newco by NWLIC without prior approval by regulatory authorities.

The market for Newco shares may differ from the market for NWLIC shares.

Although it is anticipated that the Newco Class A common stock will be authorized for listing on the NASDAQ, the market prices, trading volume, and volatility of the Newco Class A common stock could be different from those of the NWLIC Class A Stock.

The proposed reorganization into a holding company may result in substantial direct and indirect costs whether or not completed.

The Reorganization may result in substantial direct costs. These costs and expenses are expected to consist primarily of attorneys' fees, accountants' fees, filing fees, and financial printing expenses and will be substantially incurred prior to the vote of our shareholders. The Reorganization may also result in certain indirect costs by diverting the attention of our management and employees from our business and by increasing our administrative costs and expenses. These administrative costs and expenses will include keeping separate records and in some cases making separate regulatory filings for each of Newco and each of its subsidiaries. The Reorganization may also result in certain state sales taxes and other transfer taxes.

Anti-takeover provisions in Newco's restated certificate of incorporation and bylaws and under Delaware law may delay or prevent a third party acquisition of Newco, which could decrease the value of Newco's Class A and Class B common stock.

The restated certificate of incorporation and bylaws of Newco, as well as Delaware law, contain provisions that could make it more difficult for a third party to acquire it without the consent of its Board of Directors. For example:

Newco's bylaws limit the business at special meetings of the stockholders to the purpose stated in the notice of the meeting; provided that Newco's board of directors has the authority to submit additional matters to the stockholders and to cause other business to be transacted;

Newco's bylaws establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting, including requirements as to the content and timely provision of such a notice;

Newco's bylaws limit the ability of Newco's stockholders to request a special meeting of the stockholders, requiring a requesting stockholder to be a record holder of at least 25% of the outstanding shares of common stock of Newco, to have held such required percentage continuously for two years prior to the date of delivery of such notice, and to have complied in full with additional requirements in Newco's bylaws;

Newco's restated certificate of incorporation grants the holders of Class A common stock the exclusive right to elect one-third (1/3) of the members of our board of directors (plus one director for any remaining fraction) and the holders of Class B common stock the exclusive right to elect the remaining members of Newco's board of directors;

Newco's restated certificate of incorporation and bylaws limit the removal of any director elected by the holders of the Class A common stock or the Class B common stock voting as a separate class or otherwise designated as a Class A or Class B director to removal, with or without cause, solely by the affirmative vote of a majority of the holders of the Class A common stock or Class B common stock, as applicable, voting as a separate class and then entitled to vote at an election of such designated directors;

Newco's restated certificate of incorporation and bylaws limit the filling of director vacancies to the vote of the majority of the remaining directors, even if less than a quorum, who were elected or designated by the same class of stockholders who elected or designated the director whose position is being filled, even if less than a quorum, or, if there are no such remaining directors, then by the holders of the same class of stock who elected the director whose position is being filled;

Newco's restated certificate of incorporation requires that any action taken by stockholders only be taken at an annual or special meeting of the stockholders and prohibits any stockholder action from being taken by written consent without a meeting; and

Section 203 of the General Corporation Law of the State of Delaware ("DGCL") prohibits Newco from engaging in any "business combination" with any "interested stockholder" for a period of three years following the time that the stockholder became an interested stockholder, unless certain approvals are obtained by the board of directors and/or stockholders, as applicable, or certain other requirements are satisfied, as provided in Section 203 of the DGCL.

Although we believe all of these provisions will make a higher third-party bid more likely by requiring potential acquirers to negotiate with the board of directors, these provisions will apply even if an initial offer may be considered beneficial by some stockholders and therefore could delay and/or prevent a deemed beneficial offer from being considered.

As a stockholder of a Delaware corporation, and based on Newco's restated certificate of incorporation and bylaws, your rights after the Reorganization will be different from, and may be less favorable than, your current rights as a shareholder of a Colorado corporation and based on NWLIC's restated articles of incorporation and bylaws.

After the completion of the Reorganization, you will become a stockholder of a public company incorporated in Delaware instead of Colorado and will be subject to the terms of Newco's restated certificate of incorporation and bylaws instead of NWLIC's restated articles of incorporation and bylaws. As a result, your rights as a stockholder will be governed by Delaware corporate law as opposed to Colorado corporate law, and by the terms of the organizational documents of Newco as opposed to the organizational documents of NWLIC. Because they are separate bodies of law and separate organizational documents, Delaware corporate law will be different from Colorado corporate law and Newco's organizational documents will be different from NWLIC's organizational documents. Although many of these differences will not have a significant impact on the rights of stockholders, some of these differences may be less favorable to stockholders. Some of the differences between Delaware and Colorado corporate



law, and Newco's and NWLIC's organizational documents, that may be less favorable to stockholders after the completion of the Reorganization are the following:

under Newco's bylaws, only record holders of at least 25% of the outstanding shares of common stock of Newco who have held such required percentage continuously for two years prior to the date of delivery of a written request for such a meeting and who have complied in full with additional requirements in Newco's bylaws will have the right to request a special meeting of the stockholders, as opposed to Colorado corporate law, which gives holders of 10% of the voting shares the right to call a special meeting;

under Newco's bylaws, advance notice is required for stockholders to submit nominations for election to the board of directors and to propose matters that can be acted upon by stockholders at a meeting, including requirements as to the content and timely provision of such a notice, as opposed to Colorado corporate law and NWLIC's organizational documents, which do not impose such advance notice requirements on stockholders;

under Newco's restated certificate of incorporation, any action taken by stockholders must be taken at an annual or special meeting of the stockholders and may not be taken by stockholders by written consent without a meeting, as opposed to Colorado corporate law and NWLIC's organizational documents, which, taken together, permit stockholders of NWLIC to take action by written consent in lieu of a meeting so long as consent to such action is unanimous;

under Newco's bylaws, a vote of the holders of at least 66 2/3% of the shares of Newco's capital stock is required to amend, alter, or repeal the bylaws, as opposed to NWLIC's bylaws, which permit stockholders of NWLIC to amend, alter, or repeal the bylaws by the affirmative vote of the holders of a majority of the shares present or represented at a meeting and entitled to vote; and

under Delaware corporate law, fewer corporate transactions give rise to dissenters' rights than under Colorado corporate law.

These differences may limit the significance of your rights as a stockholder in these contexts. For a discussion of these and other differences between Delaware and Colorado corporate law, and certain provisions of the organizational documents of Newco and NWLIC, see "Description of Newco Capital Stock," "Description of NWLIC Capital Stock" and "Comparative Rights of Holders of Newco Capital Stock and NWLIC Capital Stock" below.

#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this proxy statement/prospectus and in documents incorporated by reference in this proxy statement/prospectus contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which represent our management's beliefs and assumptions concerning future events. When used in this proxy statement/prospectus and in documents incorporated herein by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words "expects," "anticipates," "intends," "plans," "believes," "estimates," "predicts," "potential," "may," "will," "should" or the negative of these terms or other comparable terminology. These forward-looking statements are subject to risks, uncertainties, and assumptions that could cause our actual results and the timing of certain events to differ materially from those expressed in the forward-looking statements. You should understand that many important factors, in addition to those discussed or incorporated by reference in this proxy statement/prospectus, could cause our results to differ materially from those expressed in the forward-looking statements. Potential factors that could affect our results include those described in this proxy statement/prospectus under "Risk Factors" above, and those identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in the other documents incorporated by reference. In light of these risks and uncertainties, the

forward-looking results discussed or incorporated by reference in this proxy statement/prospectus might not occur. Except as required by law, we are not obligated to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this proxy statement/prospectus or those that might reflect the occurrence of unanticipated events.

## PROPOSAL 1: REORGANIZATION

This section of the proxy statement/prospectus describes the Reorganization Proposal. Although we believe that the description in this section covers the material terms of the Reorganization Proposal, this summary may not contain all of the information that is important to you. The summary of the material provisions of the Reorganization Agreement provided below is qualified in its entirety by reference to the Reorganization Agreement, which we have attached as Annex I to this proxy statement/prospectus and which we incorporate by reference into this proxy statement/prospectus. You should carefully read the entire proxy statement/prospectus and the Reorganization Agreement for a more complete understanding of the Reorganization Proposal. Your approval of the Reorganization Proposal will constitute your approval and adoption of the Reorganization Agreement, the Reorganization, the restated certificate of incorporation of National Western Life Group, Inc., and the bylaws of National Western Life Group, Inc. Reasons for the Reorganization; Recommendation of our Board of Directors

Our Board of Directors concluded that the Reorganization is advisable, determined that the terms of the Reorganization Agreement are fair to and in the best interest of NWLIC and its shareholders, and adopted and approved the Reorganization Agreement.

During the course of its deliberations, our Board of Directors consulted with management and outside legal counsel and considered a number of positive factors, including the following:

**Possible Future Strategic and Business Flexibility of the Holding Company Structure.** We believe the holding company structure could facilitate future expansion of our business by providing a more flexible structure for acquiring other businesses or entering into joint ventures while continuing to keep the operations and risks of our other businesses separate. Although we have no present plans or any arrangements, understandings, or agreements to make any acquisitions or enter into any joint ventures, we may do so in the future. Furthermore, implementing the holding company structure may reduce the risk that liabilities of our core businesses and other businesses, if any, that may be operated in the future by separate subsidiaries would be attributed to each other.

**Possible Future Financing Flexibility of the Holding Company Structure.** We believe that a holding company structure may be beneficial to shareholders in the future because it would permit the use of financing techniques that are not available to NWLIC because NWLIC is a life insurance company.

**Possible Future Flexibility because Newco is not an Insurance Company.** Because Newco would not be an insurance company, it will not be subject to the insurance laws, rules, and regulations of the various states in which we now operate.

**Predictability, Flexibility, and Responsiveness of Delaware Law to Corporate Needs.** For many years, Delaware has followed a policy of encouraging incorporation in that state and has adopted comprehensive, modern, and flexible corporate laws, which are updated regularly to meet changing business needs. As a result of this deliberate policy to provide a hospitable climate for corporate development, many major public corporations have chosen Delaware for their domicile. In addition, the Delaware courts have developed considerable expertise in dealing with corporate issues relating to public companies. Thus, a substantial body of case law has developed construing Delaware corporate law and establishing legal principles and policies regarding publicly held Delaware corporations. We believe that, for these reasons, Delaware law will provide greater legal predictability with respect to our corporate legal matters than we have under Colorado law. We further believe that Delaware law will provide greater efficiency, predictability, and flexibility in our public legal affairs than is presently available under Colorado law.

**Attractiveness of Delaware Law to Directors and Officers.** We believe that organizing under Delaware law will enhance our ability to attract and retain qualified directors and officers. The corporate law of Delaware, including its extensive body of case law, offers directors and officers of public companies more certainty and stability. Under Delaware law, the parameters of director and officer liability are more clearly defined and better understood than under Colorado law. To date, we have not experienced difficulty in retaining directors or officers, but directors of

public companies are exposed to significant potential liability. We therefore believe that providing the benefits afforded directors by Delaware law will enable us to compete more effectively with other public companies in the recruitment of talented and experienced directors and officers. At the same time, we believe that Delaware law regarding corporate fiduciary duties provides appropriate protection for our stockholders from possible abuses by directors and officers. In addition, under Delaware law, directors' personal liability cannot be eliminated for:

- any breach of the director's duty of loyalty to the corporation or its stockholders,
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,
- unlawful payment of dividends or unlawful repurchases or redemptions of stock, or

any transactions from which the director derived an improper personal benefit.

In addition to the positive factors described above, our Board of Directors also considered the following potential negative factor associated with the Reorganization Proposal:

Increased Costs and Expenses Associated with Implementing the Reorganization Proposal and Administering a Holding Company Structure. The Reorganization may result in substantial direct costs. These costs and expenses are expected to consist primarily of attorneys' fees, accountants' fees, filing fees, and financial printing expenses and will be substantially incurred prior to the vote of our shareholders. The Reorganization may also result in certain indirect costs by diverting the attention of our management and employees from our business and increasing our administrative costs and expenses. These administrative costs and expenses will include keeping separate records and in some cases making separate regulatory filings for each of Newco and its current and future subsidiaries. The Reorganization may also result in certain state sales taxes and other transfer taxes.

After careful consideration, our Board of Directors has determined that creation of a holding company offers a net benefit to our shareholders. Our Board of Directors has approved the Reorganization Proposal, determined that the terms of the Reorganization Agreement and the Reorganization are advisable and in the best interest of our shareholders, and has adopted and approved the Reorganization Agreement. Our Board Directors recommends that our shareholders vote "FOR" adoption and approval of the Reorganization Agreement at the annual meeting.

#### Reorganization Procedure

NWLIC currently owns all of the issued and outstanding common stock of Newco, Newco currently owns all of the issued and outstanding common stock of MergerCo, the subsidiary formed for purposes of completing the proposed Reorganization, and NWLIC owns all of the issued and outstanding equity interests of The Westcap Corporation (of Delaware), NWL Investments, Inc., NWL Financial, Inc., NWL Services, Inc., NWLSM, Inc., and Regent Care San Marcos Holdings, LLC. Following the approval of the Reorganization Agreement by the NWLIC shareholders and the satisfaction or waiver of the other conditions specified in the Reorganization Agreement (which are described below), NWLIC will merge with MergerCo, the subsidiary of Newco. As a result of this merger:

• NWLIC will be the surviving corporation and the separate corporate existence of MergerCo will cease.

Each outstanding share of NWLIC Class A Stock and Class B Stock will automatically convert into one share of Newco Class A or Class B common stock, as described below, and the current shareholders of NWLIC will become the stockholders of Newco.

• Newco will own all of NWLIC's common stock and each share of Newco common stock now held by NWLIC will be canceled.

The result of the Reorganization will be that your current company, NWLIC, will be merged with MergerCo and NWLIC will become a subsidiary of Newco. Newco's restated certificate of incorporation is included as Annex II to this proxy statement/prospectus and a copy of Newco's bylaws is included as Annex III to this proxy statement/prospectus. For more information regarding your rights as a shareholder before and after the Reorganization, see "Description of Newco Capital Stock," "Description of NWLIC Capital Stock," and "Comparative Rights of Newco Capital Stock and NWLIC Capital Stock."

Immediately following the merger, as part of the Reorganization, NWLIC will distribute the stock of its subsidiaries, NWL Investments, Inc. and NWL Services, Inc. to Newco. As a result, NWLIC, NWL Investments, Inc., and NWL Services, Inc., will all be direct subsidiaries of Newco.

In all other respects, your company will remain the same. The current directors of NWLIC will continue as directors of Newco, and senior management will be substantially similar. In addition, our current business and operations will remain the same.

What NWLIC Shareholders Will Receive in the Reorganization

Each share of NWLIC Class A Stock and Class B Stock will convert into one share of Newco Class A or Class B common stock, as appropriate. After the completion of the Reorganization, you will own the same type, number, and percentage of shares of Newco capital stock as you currently own of NWLIC capital stock.

#### NWLIC Stock Options and Other Rights to Receive NWLIC Stock

Each of the outstanding options to acquire, or SARs relating to, shares of NWLIC Class A Stock in the aggregate will become options to acquire, or SARs relating to, on the same terms and conditions as before the Reorganization, an identical number of shares of Newco Class A common stock. On the Record Date, there were outstanding options representing the right to purchase an aggregate of shares of NWLIC Class A Stock and SARs relating to shares of NWLIC Class A Stock under NWLIC's existing stock-based compensation plans, which include the NWLIC 1995 Stock and Incentive Plan and the NWLIC 2008 Incentive Plan (collectively the "NWLIC Plans"). Following the Reorganization, NWLIC plan participants will be entitled to receive shares of Newco Class A common stock rather than shares of NWLIC Class A Stock, on the same terms and conditions otherwise provided for in the respective plans.

#### Corporate Name Following the Reorganization

The name of the public company following the Reorganization will be "National Western Life Group, Inc."

#### No Exchange of Stock Certificates

In the Reorganization, your shares of NWLIC Class A Stock and Class B Stock will be converted automatically into shares of Newco Class A or Class B common stock, respectively. Your certificates of NWLIC capital stock, if any, will represent, from and after the Reorganization, an equal number of shares of Newco capital stock, and no action with regard to stock certificates will be required on your part. We expect to send you a notice after the Reorganization is completed specifying this and other relevant information.

#### Conditions to Reorganization

We will complete the Reorganization only if each of the following conditions is satisfied or waived:

The registration statement of Newco shall have been deemed or declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the registration statement shall have been issued by the SEC and no proceeding for that purpose shall have been initiated or, to the knowledge of Newco or NWLIC, threatened by the SEC and not concluded or withdrawn. No similar proceeding with respect to the proxy statement shall have been initiated or, to the knowledge of Newco or NWLIC, threatened by the SEC and not concluded or withdrawn.

The Reorganization Agreement shall have been approved by the requisite vote of the shareholders of NWLIC in accordance with the Colorado Business Corporation Act ("CBCA") and the restated articles of incorporation of NWLIC.

The Newco Class A common stock to be issued pursuant to the Reorganization shall have been approved for listing on the NASDAQ by The NASDAQ Stock Market, LLC.

NWLIC shall have made such filings and obtained such permits, authorizations, consents, approvals or terminations or expirations of waiting periods as are required by the corporate and insurance laws and regulations of all applicable jurisdictions.

No order, statute, rule, regulation, executive order, injunction, stay, decree, judgment or restraining order that is in effect shall have been enacted, entered, promulgated or enforced by any court or governmental or regulatory authority or instrumentality that prohibits or makes illegal the consummation of the Reorganization or the transactions contemplated by the Reorganization Agreement.

The Boards of Directors of NWLIC and Newco shall have received the legal opinion of Sutherland Asbill & Brennan LLP in form and substance reasonably satisfactory to them indicating that holders of Newco capital stock will not recognize gain or loss for United States federal income tax purposes as a result of the transactions contemplated by the Reorganization Agreement.

#### Effectiveness of Reorganization

The Reorganization will become effective on the date we file a statement of merger with the Secretary of State of the State of Colorado or a later date that we specify therein. We will file the statement when the conditions to the

Reorganization described above have been satisfied or waived. We expect that we will specify in the statement that the Reorganization will be effective in the latter part of 2015.



#### Termination of Reorganization Agreement

The Reorganization Agreement may be terminated at any time prior to the completion of the reorganization (even after adoption by our shareholders) by action of our Board of Directors if it determines that for any reason the completion of the transactions provided for therein would be inadvisable or not in the best interest of our company or our shareholders.

#### Amendment of Reorganization Agreement

The Reorganization Agreement may, to the extent permitted by the CBCA, be supplemented, amended, or modified at any time prior to the completion of the Reorganization (even after adoption by our shareholders) by the mutual consent of the parties thereto.

#### Material U.S. Federal Income Tax Consequences

The following discussion summarizes the material U.S. federal income tax consequences of the Reorganization to U.S. holders of NWLIC capital stock. This discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), current and proposed Treasury regulations and judicial and administrative decisions and rulings as of the date of this proxy statement/prospectus, all of which are subject to change (possibly with retroactive effect) and all of which are subject to differing interpretation. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or to persons subject to special treatment under U.S. federal income tax laws. In particular, this discussion deals only with shareholders that hold NWLIC capital stock as capital assets within the meaning of the Code. In addition, this discussion does not address the tax treatment of special classes of shareholders, such as banks, insurance companies, tax-exempt organizations, financial institutions, broker-dealers, persons holding NWLIC capital stock as part of a hedge, straddle or other risk reduction, constructive sale or conversion transaction, U.S. expatriates, persons subject to the alternative minimum tax and persons who acquired NWLIC capital stock in compensatory transactions. If you are not a U.S. holder (as defined below), this discussion does not apply to you.

As used in this summary, a "U.S. holder" is:

• an individual U.S. citizen or resident alien;

• a corporation, partnership, or other entity created or organized under U.S. law (federal or state);

• an estate whose worldwide income is subject to U.S. federal income tax; or

a trust if a court within the United States of America is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or certain trusts formed prior to August 20, 1996, if such trust has a valid election in effect to be treated as a domestic trust for U.S. federal income tax purposes.

If a partnership (including, for this purpose, any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of NWLIC capital stock, the U.S. federal income tax consequences to a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. A holder of NWLIC capital stock that is a partnership, and the partners in such partnership, should consult their own tax advisors regarding the U.S. federal income tax consequences of the reorganization.

**ALL HOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE REORGANIZATION TO THEIR PARTICULAR SITUATION, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL, FOREIGN, AND OTHER TAX LAWS.**

The obligation of NWLIC to complete the Reorganization is conditioned upon, among other things, NWLIC and Newco having received a legal opinion from Sutherland Asbill & Brennan LLP, dated as of the completion of the Reorganization, that the merger will constitute an exchange of NWLIC capital stock for Newco capital stock governed by Section 351 of the Code, as well as a Reorganization within the meaning of Section 368(a) of the Code, and, therefore, no gain or loss will be recognized by the shareholders of NWLIC upon the receipt of Newco capital stock pursuant to the merger. Additionally, NWLIC and Newco will receive a legal opinion from Sutherland Asbill &

Brennan LLP that the distribution of NWL Investments, Inc. and NWL Services, Inc., stock from NWLIC to Newco is a transaction described in Section 355 of the Code. The opinions of counsel will be based on then-existing law and based in part upon representations, made as of the effective time of the reorganization transactions, by Newco, NWLIC, and MergerCo, which counsel will assume to be true, correct, and complete. If the representations are inaccurate, the opinions of counsel could be adversely affected. Neither Newco nor NWLIC has requested nor will request a private letter ruling from the Internal Revenue Service as to the tax consequences of the reorganization transactions. The opinions of counsel

will not be binding upon the Internal Revenue Service or any other taxing authority. Assuming the transactions are treated as described in this paragraph, the material U.S. federal income tax consequences of the transactions will be as follows:

• No gain or loss will be recognized by Newco or NWLIC as a result of the merger;

• No gain or loss will be recognized by you upon your receipt of Newco capital stock solely in exchange for your NWLIC capital stock;

• The aggregate tax basis of the shares of Newco capital stock that you receive in exchange for your NWLIC capital stock in the merger will be the same as the aggregate tax basis of your NWLIC capital stock exchanged;

• The holding period for shares of Newco capital stock that you receive in the merger will include the holding period of your NWLIC capital stock exchanged;

• No gain or loss will be recognized by NWLIC or Newco as a result of the distribution of any NWLIC subsidiary stock to Newco by NWLIC; and

• The distribution of any NWLIC subsidiary stock to Newco by NWLIC will have no material U.S. federal income tax consequences to you as a NWLIC stockholder.

The foregoing discussion is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences or any other consequences of the Reorganization. In addition, the discussion does not address tax consequences which may vary with, or are contingent on, your individual circumstances. Moreover, the discussion does not address state, local, foreign or non-income tax consequences or tax return reporting requirements.

Accordingly, you are strongly urged to consult with your own tax advisor to determine the particular U.S. federal, state, local or foreign income or other tax consequences to you of the Reorganization.

#### No Compensation Related to the Reorganization

There are no agreements or understandings, whether written or unwritten, between any executive officer and NWLIC, Newco, or MergerCo concerning any type of compensation, whether present, deferred, or contingent, that is based on or otherwise relates to the Reorganization.

#### Anticipated Accounting Treatment

For accounting purposes, our reorganization into a holding company structure will be treated as a merger of entities under common control. The accounting treatment for such events is similar to the former "pooling of interests method." Accordingly, the financial position and results of operations of NWLIC will be included in the consolidated financial statements of Newco on the same basis as currently presented.

#### Authorized Capital Stock

NWLIC's restated articles of incorporation currently authorize the issuance of 7,500,000 shares of Class A Stock and 200,000 shares of Class B Stock. Newco's restated certificate of incorporation, which will govern the rights of our stockholders after the Reorganization, currently authorizes the issuance of 7,500,000 shares of Class A common stock and 200,000 shares of Class B common stock. Upon completion of the Reorganization, the number of shares of Newco Class A and Class B common stock that will be outstanding will be equal to the number of shares of NWLIC Class A Stock and Class B Stock outstanding immediately prior to the Reorganization.

#### Listing of Newco Class A Common Stock on the NASDAQ Global Market; De-listing and De-registration of NWLIC Class A Stock

The completion of the Reorganization is conditioned on the approval for listing of the shares of Newco Class A Stock issuable in the Reorganization (and any other shares to be reserved for issuance in connection with the Reorganization) on the NASDAQ. We expect that the Newco Class A common stock will trade under the ticker symbol "NWLI." In addition, Newco will become a reporting company under the Exchange Act.

Following the Reorganization, NWLIC's Class A Stock will no longer be quoted on the NASDAQ and will no longer be registered under the Exchange Act. In addition, NWLIC will cease to be a reporting company under the Exchange Act.

#### Board of Directors and Executive Officers of Newco Following the Reorganization

Presently, the Newco board of directors and the NWLIC board of directors are comprised of the same persons. We expect that immediately following the Reorganization the Newco board of directors board will be comprised of Stephen E. Glasgow, E. Douglas McLeod, Louis E. Pauls, Jr., E. J. Pederson, Robert L. Moody, Ross R. Moody, Ann M. Moody, Charles D. Milos, Frances A. Moody-Dahlberg, and Russell S. Moody, if all are elected as directors of NWLIC at the annual meeting.

We expect that the senior management of NWLIC following the Reorganization will be the same as that of NWLIC immediately prior to the Reorganization.

For information concerning persons expected to become directors of Newco, see "Proposal Two-Election of Directors." Independent Registered Public Accounting Firm of Newco

The adoption by the holders of NWLIC capital stock of the Reorganization Agreement will also constitute ratification of BKD, LLP as described under the caption "Proposal Three-Ratification of the Engagement of the Independent Registered Public Accounting Firm" as the independent registered public accounting firm of Newco for the fiscal year ending December 31, 2015.

#### Issuances of Newco Class A Common Stock Under the NWLIC Plans

The adoption by the holders of NWLIC capital stock of the Reorganization Agreement will also constitute approval of the assumption by Newco of the NWLIC Plans and, where appropriate, the future issuance of shares of Newco Class A common stock in lieu of shares of NWLIC Class A Stock under the NWLIC Plans in connection with the Reorganization without further shareowner action.

#### Newco Restated Certificate of Incorporation

The adoption by the holders of NWLIC capital stock of the Reorganization Agreement will also constitute approval of the terms of the Newco restated certificate of incorporation in the form attached to this proxy statement/prospectus as Annex II.

#### Restrictions on the Sale of Newco Shares

The shares of Newco Class A and Class B common stock to be issued in the Reorganization will be registered under the Securities Act. These shares will be freely transferable under the Securities Act, subject to existing restrictions on certain affiliates of Newco.

#### DESCRIPTION OF NEWCO CAPITAL STOCK

Newco is incorporated in the State of Delaware. The rights of stockholders of Newco will generally be governed by Delaware law and Newco's restated certificate of incorporation and bylaws. The following is a summary of the material provisions of Newco's restated certificate of incorporation and bylaws. This summary is not complete and is qualified by reference to Delaware statutory and common law and the full texts of Newco's restated certificate of incorporation and bylaws, which are attached as Annexes II and III to this proxy statement/prospectus.

##### General

Upon the completion of the Reorganization, the authorized capital stock of Newco will be 7,700,000 shares, consisting of 7,500,000 shares of Class A common stock, par value \$0.01 per share, and 200,000 shares of Class B common stock, par value \$0.01 per share. All of the shares issued and outstanding upon completion of the Reorganization will be fully paid and nonassessable.

Upon completion of the Reorganization, the number of shares of Class A and Class B common stock, respectively, that will be outstanding will be equal to the number of shares issued and outstanding of NWLIC capital stock outstanding immediately prior to the Reorganization.

#### Class A Common Stock

**Dividends and Distributions.** The holders of outstanding shares of Newco's Class A common stock will be entitled to receive dividends and other distributions out of assets legally available at times and in amounts as the board of directors of Newco may determine from time to time. All shares of Class A common stock are entitled to participate ratably with respect to dividends or other distributions paid to holders of our Class A common stock.

**Liquidation Rights.** If Newco is liquidated, dissolved or wound up, voluntarily or involuntarily, then, after payment of any debts and liabilities of Newco, holders of Newco's Class A common stock are entitled to receive the par value of their shares. The holders of Class B common stock are then entitled to receive the par value of their shares, and thereafter the holders of the Class A common stock will share ratably in all assets of Newco available for distribution to the Class A and Class B stockholders.

**Voting Rights.** Each share of Class A common stock is entitled to one vote per share on all matters to be voted upon by the holders of the Class A common stock. There are no cumulative voting rights. Stockholders may vote by proxy.

The Class A stockholders will have the exclusive right to elect one-third (1/3) of the members of our board of directors, plus one director for any remaining fraction, and the Class B stockholders will have the exclusive right to elect the remaining members of our board of directors. Directors will be elected by a plurality of the votes of the shares of the class of stock present in person or represented by proxy at a meeting and entitled to vote on the election of such director or directors. The affirmative vote of a majority of the shares of Newco's Class A and Class B common stock voting together as one class present in person or represented by proxy and entitled to vote on the matter shall be required to approve all other matters presented to stockholders at an annual or special meeting except as otherwise required by applicable law, Newco's restated certificate of incorporation or bylaws, or the rules and regulations of any stock exchange applicable to Newco.

**Other.** There are no preemption, redemption, sinking fund, or conversion rights applicable to Newco's Class A common stock.

#### Class B Common Stock

**Dividends and Distributions.** The holders of outstanding shares of Newco's Class B common stock will be entitled to receive dividends and other distributions out of assets legally available at times and in amounts as the board of directors of Newco may determine from time to time; provided, however, that, under Newco's restated certificate of incorporation, any dividends or distributions on each share of Class B common stock per annum will be only one-half (1/2) of the dividends and distributions paid on each share of Class A common stock. All shares of Class B common stock are entitled to participate ratably with respect to dividends or other distributions paid to holders of our Class B common stock.

**Liquidation Rights.** If Newco is liquidated, dissolved or wound up, voluntarily or involuntarily, then, after payment of any debts and liabilities of Newco and after the Class A common stockholders receive the par value of their shares, the holders of Newco's Class B common stock are entitled to receive the par value of their shares and thereafter will share ratably in all assets of Newco available for distribution to the Class A and Class B stockholders.

**Voting Rights.** Each share of Class B common stock is entitled to one vote per share on all matters to be voted upon by the holders of the Class B common stock. There are no cumulative voting rights. Stockholders may vote by proxy.

The Class A stockholders will have the exclusive right to elect one-third (1/3) of the members of our board of directors, plus one director for any remaining fraction, and the Class B stockholders will have the exclusive right to elect the remaining members of Newco's board of directors. Directors will be elected by a plurality of the votes of the shares of the class of stock present in person or represented by proxy at a meeting and entitled to vote on the election of such director or directors. The affirmative vote of a majority of the shares of Newco's Class A and Class B common

stock voting together as one class present in person or represented by proxy and entitled to vote on the matter shall be required to approve all other matters presented to stockholders at an annual or special meeting except as otherwise required by applicable law, Newco's restated certificate of incorporation or bylaws, or the rules and regulations of any stock exchange applicable to Newco.

Other. There are no preemption, redemption, sinking fund, or conversion rights applicable to Newco's Class B common stock.

Anti-Takeover Effects of Certain Provisions of Newco's Certificate of Incorporation, Bylaws, and Delaware Law Provisions of Newco's restated certificate of incorporation, its bylaws, and Delaware law could have the effect of delaying or preventing a third party from acquiring the company, even if the acquisition would benefit Newco's stockholders. These provisions may delay, defer or prevent a tender offer or takeover attempt of the company that a stockholder might consider in the stockholder's

best interest, including those attempts that might result in a premium over the market price for the shares held by its stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the Board of Directors and in the policies formulated by the Board of Directors and to reduce Newco's vulnerability to an unsolicited proposal for a takeover that does not contemplate the acquisition of all of Newco's outstanding shares, or an unsolicited proposal for our restructuring or sale of all or part of its business.

#### Authorized but Unissued Shares of Common Stock

Newco's authorized but unissued shares of Class A common stock are available for its board of directors to issue without stockholder approval. Newco may use the additional authorized shares of Class A common stock for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of Newco's authorized but unissued shares of Class A common stock could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger, or other transaction.

#### Stockholder Action; Special Meetings of Stockholders

The restated certificate of incorporation of Newco provides that any action required or permitted to be taken by stockholders at an annual meeting or special meeting of the stockholders may only be taken at an annual or special meeting before which it is properly brought, and not by written consent without a meeting. The bylaws also provide that special meetings of stockholders may be called by (i) the board of directors, (ii) the chairman of the board of directors, (iii) the President, (iv) the Chief Executive Officer, or (v) the Secretary upon the written request of the record holder(s) of at least 25% of the outstanding shares of Newco's common stock, provided that such holder(s) has continuously held such shares for a period of two years prior to the delivery of such written request for a special meeting and has complied in full with additional requirements set forth in Newco's bylaws.

#### Advance Notice Requirements for Stockholders Proposals and Director Nominations

The bylaws provide that stockholders seeking to bring business before a meeting of stockholders, or to nominate candidates for election as directors at a meeting of stockholders, must provide Newco with timely written notice of their proposal. The bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before a meeting of stockholders or from making nominations for directors at a meeting of stockholders.

#### Amendment to the Restated Certificate of Incorporation and Bylaws

The restated certificate of incorporation may generally be amended (after the board of directors adopts a resolution declaring the advisability of such an amendment) by a majority of its stockholders, except with respect to provisions regarding the board of directors, limitations on director liability and indemnification and advancement of expenses to directors and officers, stockholder meetings, and amendments to the restated certificate of incorporation and bylaws, which provisions of the restated certificate of incorporation may only be amended upon approval of holders of at least 66-2/3% of Newco's outstanding voting stock. The restated certificate of incorporation separately requires the approval of at least 75% of the voting power of all outstanding Class A common stock to amend certain provisions of the restated certificate of incorporation relating to the dividend and liquidation preferences of the Class A common stock. The bylaws may generally be amended by the board of directors or by stockholders upon approval of holders of at least 66-2/3% of Newco's outstanding voting stock.

#### Delaware Anti-Takeover Statute

Newco is subject to the provisions of Section 203 of the DGCL, an anti-takeover law. Subject to exceptions, the statute prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

prior to such date, the Board of Directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding for purposes of determining the number of shares outstanding, those shares owned



by (1) persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or

on or after such date, the business combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

For purposes of Section 203, a "business combination" includes a merger, asset sale, or other transaction resulting in a financial benefit to the interested stockholder, with an "interested stockholder" being defined as a person who, together with affiliates and associates, owns (or who is an affiliate or associate of the corporation and did own within three years prior to the date of determination whether the person is an "interested stockholder") 15% or more of the corporation's voting stock.

Newco's Board of Directors approved the acquisition of shares of its Class A common stock and Class B common stock by Robert L. Moody in connection with the Reorganization Proposal and the related reorganization described herein under Section 203 of the DGCL. As a result, he will not be deemed to be an "interested stockholder" thereunder and any "business combination" between Mr. Moody and Newco will not be subject to the prohibitions in Section 203 of the DGCL.

Limitation of Director Liability and Indemnification of Directors and Officers

Newco's restated certificate of incorporation provides, to the fullest extent permitted by Delaware law, that directors will not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director. Delaware law currently provides that such a provision may not eliminate or limit the liability of a director:

for any breach of the director's duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

under Section 174 of the DGCL (governing distributions to stockholders); or

for any transaction from which the director derived any improper personal benefit.

However, in the event the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

The bylaws of Newco further provide that we will indemnify each of our directors and officers to the fullest extent permitted by Delaware law and may indemnify other persons as authorized by the DGCL. In particular, Newco's bylaws provide that Newco will indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including, but not limited to, serving as a witness without being named a defendant or respondent, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of Newco or, while a director or officer of Newco, is or was serving at the request of Newco as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all liability and loss suffered (including, but not limited to, judgments, penalties, fines, excise taxes, and amounts paid in settlement) and expenses (including attorneys' fees) reasonably incurred by such covered person. In the case of a proceeding commenced by a covered person, Newco will only be required to indemnify the covered person if commencement of the proceeding (or part thereof) by the covered person was authorized in the specific case by the board of directors.

Any such indemnification under Newco's bylaws (unless ordered by a court) may be made by Newco only as authorized in the specific case upon a determination that indemnification of the covered person is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 145 of the DGCL. This determination must be made, with respect to the covered person: (i) by a majority vote of the directors who are not parties to such proceeding, though less than a quorum, (ii) by a committee of such directors designated by majority

vote of such directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders of Newco.

**DESCRIPTION OF NWLIC CAPITAL STOCK**

NWLIC is incorporated in the State of Colorado. The rights of shareholders of NWLIC are generally governed by Colorado law and NWLIC's restated articles of incorporation and bylaws. The following is a summary of the material provisions of NWLIC's restated articles of incorporation and bylaws. This summary is not complete and is qualified by reference to Colorado statutory and common law and the full texts of NWLIC's restated articles of incorporation and bylaws. A copy of NWLIC's restated articles of incorporation, including amendments thereto, are attached as Exhibit 3(a), 3(b), 3(c), 3(d) and 3(e) to the NWLIC's Form 10-

K for the year ended December 31, 1995. A copy of NWLIC's bylaws is attached as Exhibit 3ii(i) to NWLIC's current report on Form 8-K filed on March 20, 2015.

#### General

NWLIC is authorized to issue 7,500,000 shares of Class A Stock, \$1.00 par value per share, and 200,000 shares of Class B Stock, \$1.00 par value per share. As of April 20, 2015, NWLIC had 3,436,166 shares of Class A Stock outstanding, held by 3,591 holders of record and 200,000 shares of Class B Stock outstanding, held by two holders of record. The outstanding shares of NWLIC's stock are fully paid and nonassessable.

#### Class A Common Stock

**Dividends and Distributions.** The holders of outstanding shares of NWLIC's Class A Stock are entitled to receive dividends and other distributions out of assets legally available at times and in amounts as the board of directors of NWLIC may determine from time to time. All shares of Class A Stock are entitled to participate ratably with respect to dividends or other distributions paid to holders of the Class A Stock.

**Liquidation Rights.** If NWLIC is dissolved or wound up, voluntarily or involuntarily, holders of NWLIC's Class A Stock are entitled to receive the par value of their shares. The holders of Class B Stock are then entitled to receive the par value of their shares, and thereafter the holders of the Class A Stock will share ratably in all assets of NWLIC available for distribution to the holders of the Class A Stock and the Class B Stock.

**Voting Rights.** Each share of Class A Stock is entitled to one vote per share on all matters to be voted upon by the holders of the Class A Stock. There are no cumulative voting rights. Shareholders may vote by proxy.

The Class A Stock has the exclusive right to elect one-third (1/3) of the members of our board of directors, plus one director for any remaining fraction, and the Class B Stock has the exclusive right to elect the remaining members of our board of directors. Directors are elected by a plurality of the votes of the shares of the class of stock present in person or represented by proxy at a meeting and entitled to vote on the election of such director or directors. The affirmative vote of a majority of the shares of NWLIC's Class A Stock and Class B Stock voting together as one class present in person or represented by proxy at a meeting and entitled to vote on the matter shall be required to approve all other matters voted upon by shareholders other than those matters set forth in the CBCA.

**Other.** There are no preemption, redemption, sinking fund, or conversion rights applicable to the Class A Stock.

#### Class B Common Stock

**Dividends and Distributions.** The holders of outstanding shares of Class B Stock are entitled to receive dividends and other distributions out of assets legally available at times and in amounts as the board of directors of NWLIC may determine from time to time; provided, however, that any dividends or distributions on each share of Class B Stock per annum will be only one-half (1/2) of the dividends and distributions paid on each share of Class A Stock. All shares of Class B Stock are entitled to participate ratably with respect to dividends or other distributions paid to holders of Class B Stock.

**Liquidation Rights.** If NWLIC is dissolved or wound up, voluntarily or involuntarily, then, after the holders of NWLIC's Class A Stock receive the par value of their shares, the holders of NWLIC's Class B Stock are entitled to receive the par value of their shares and thereafter will share ratably in all assets of NWLIC available for distribution to the Class A Stock and Class B Stock.

**Voting Rights.** Each share of Class B Stock is entitled to one vote per share on all matters to be voted upon by the holders of the Class B Stock. There are no cumulative voting rights. Shareholders may vote by proxy.

The Class A Stock has the exclusive right to elect one-third (1/3) of the members of our board of directors, plus one director for any remaining fraction, and the Class B Stock has the exclusive right to elect the remaining members of our board of directors. Directors are elected by a plurality of the votes of the shares of the class of stock present in person or represented by proxy at a meeting and entitled to vote on the election of such director or directors. The affirmative vote of a majority of the shares of NWLIC's Class A Stock and Class B Stock voting together as one class present in person or represented by proxy at a meeting and entitled to vote on the matter shall be required to approve all other matters voted upon by shareholders other than those matters set forth in the CBCA.

**Other.** There are no preemption, redemption, sinking fund, or conversion rights applicable to the Class B Stock.



#### Limitation of Director Liability and Indemnification of Directors and Officers

NWLIC's restated articles of incorporation does not include a provision eliminating or limiting the personal liability of a director to NWLIC or to its shareholders for monetary damages for breach of fiduciary duty as a director.

NWLIC's bylaws provide that NWLIC will indemnify its officers and directors against judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by them while serving in such capacity if they (i) conducted themselves in good faith, (ii) reasonably believed, in the case of conduct in their official capacity, that their conduct was in NWLIC's best interests and, in all other cases, that their conduct was at least not opposed to NWLIC's best interests, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that their conduct was unlawful; provided, the indemnification in connection with a proceeding brought by or on behalf of NWLIC is limited under the bylaws to the reasonable expenses (including court costs and attorney's fees) actually incurred by the officer or director in connection with the proceeding. No indemnification, however, shall be made in connection with proceedings in which the officer or director is (a) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in his official capacity, or (b) found liable to NWLIC.

NWLIC may provide further indemnification for officers as permitted by Section 7-109-107 of the CBCA.

#### Comparative Rights of Holders of NWLIC Capital Stock and Newco Capital Stock

At the effective time of the merger, NWLIC Class A Stock and Class B Stock will be converted on a one-for-one basis into Newco Class A and Class B common stock, as appropriate. As a result, Newco's restated certificate of incorporation and bylaws and the applicable provisions of the DGCL will govern the rights of the former holders of NWLIC capital stock who receive shares of Newco capital stock pursuant to the merger. The rights of NWLIC shareholders are currently governed by the CBCA and common law, NWLIC's restated articles of incorporation and NWLIC's bylaws. The rights of Newco stockholders after the completion of the Reorganization will be governed by the DGCL and common law, Newco's restated certificate of incorporation, and Newco's bylaws. The following summary compares the material rights that NWLIC shareholders currently have and the rights that they will have as stockholders of Newco following the Reorganization. This summary is qualified in its entirety by reference to the full text of the aforementioned authorities. For detailed descriptions of the capital stock of NWLIC and Newco, see "Description of NWLIC Capital Stock" and "Description of Newco Capital Stock" in this proxy statement/prospectus.

<p>Capitalization:</p>	<p>Rights of Holders of NWLIC Common Stock          NWLIC's restated articles of incorporation authorize NWLIC to issue 7,500,000 shares of Class A common stock, par value \$1.00 per share, and 200,000 shares of Class B common stock, par value \$1.00 per share.</p>	<p>Rights of Holders of Newco Common Stock          Newco's restated certificate of incorporation authorizes Newco to issue 7,500,000 shares of Class A common stock, par value \$0.01 per share, and 200,000 shares of Class B common stock, par value \$0.01 per share.</p>
<p>Voting Rights:</p>	<p>Each share of Class A Stock and Class B Stock is entitled to one vote per share on all matters to be voted upon by the holders of the Class A Stock and Class B Stock. There are no cumulative voting rights. Shareholders may vote by proxy. The Class A Stock has the exclusive right to elect one-third (1/3) of the members of NWLIC's board of directors, plus one director for any remaining fraction, and the Class B Stock has the exclusive right to elect the remaining members of NWLIC's board of directors. The affirmative vote of a majority of the shares of the Class A Stock and Class B Stock voting together as one class present in person or represented by proxy at a meeting and entitled to vote on the matter shall be required to approve all matters voted upon by shareholders other than the election of directors and those matters set forth in the CBCA.</p>	<p>Each share of Class A and Class B common stock will be entitled to one vote per share on all matters to be voted upon by the holders of the Class A and Class B common stock. There will be no cumulative voting rights. Stockholders will be permitted to vote by proxy. The Class A common stock will have the exclusive right to elect one-third (1/3) of the members of Newco's board of directors, plus one director for any remaining fraction, and the Class B stockholders will have the exclusive right to elect the remaining members of Newco's board of directors. The affirmative vote of a majority of the shares of Newco's Class A common stock and Class B common stock voting together as one class present in person or represented by proxy and entitled to vote on the matter shall be required to approve all matters presented to stockholders at an annual or special meeting other than the election of directors and except as otherwise required by applicable law, Newco's restated certificate of incorporation or bylaws, or the rules and regulations of any stock exchange applicable to Newco.</p>
<p>Dividend Rights:</p>	<p>Any dividends or distributions on shares of Class B Stock may only be one-half (1/2) of the dividends and distributions paid on shares of Class A Stock.</p>	<p>Any dividends or distributions on shares of Class B common stock may only be one-half (1/2) of the dividends or distributions paid on shares of Class A common stock.</p>
<p>Quorum:</p>	<p>One-half (1/2) of the Class A Stock and Class B Stock voting together as a single class constitutes a quorum at a meeting of NWLIC's shareholders. In the election of directors, a quorum will consist of one half (1/2) of the shares of Class A Stock</p>	<p>The holders of a majority of the outstanding shares of Class A common stock and Class B common stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for the transaction of business at a meeting of</p>

entitled to vote thereat and one half (1/2) of the shares of Class B Stock entitled to vote thereat.

Newco's stockholders; provided that, where a separate vote by a class or series of Newco's stock is required for any matter, including with respect to the election of directors, a quorum shall consist of the holders of a majority of the outstanding shares of such class or series entitled to vote with respect to such matter, present in person or represented by proxy.

Number of Directors:

NWLIC's restated articles of incorporation and bylaws provide that the number of members of the board of directors shall not be fewer than seven nor more than twenty-seven persons.

Newco's restated certificate of incorporation and bylaws provide that the number of members of the board of directors shall be determined from time to time by the board of directors.



Voting Required For Election of Directors:	NWLIC's bylaws provide that the vote of a plurality of the shares entitled to vote for directors is required in order to elect a director.	Newco's bylaws provide that directors shall be elected by a plurality of the votes of the shares of stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors; provided that, with respect to the election of any directors entitled to be elected by a particular class or series of Newco's stock, such directors shall be elected by a plurality of the votes of the shares of such class or series of stock present in person or represented by proxy at the meeting and entitled to vote on the election of such director or directors.
Removal of Directors:	NWLIC's bylaws provide that members of the board of directors may be removed, either for or without cause, at any special meeting of shareholders by the affirmative vote of a majority in number of the shares of Class A Stock and Class B Stock present in person or by proxy at such meeting and entitled to vote for the election of such director.	Newco's restated certificate of incorporation provides that any director elected by the holders of the Class A common stock or the Class B common stock voting as a separate class or otherwise designated as a Class A or Class B director may be removed from office at any time, with or without cause, solely by the affirmative vote of a majority of the holders of the Class A common stock or Class B common stock, as applicable, voting as a separate class and then entitled to vote at an election of such designated directors.
Classification of Board of Directors:	NWLIC's restated articles of incorporation do not provide for a classified board of directors.	Newco's restated certificate of incorporation does not provide for a classified board of directors. Accordingly, under the DGCL, all directors of Newco will be elected annually.
Filling Vacancies on the Board of Directors:	Under the restated articles of incorporation, in the event of a vacancy on the Board of Directors, such vacancy shall be filled by a vote of the majority of the remaining directors elected by the class who elected the directors whose position is being filled. In the event that there is no majority of such directors, then such vacancy shall be filled at a special meeting of the shareholders who elected the director whose position is being filled.	Under Newco's bylaws, in the event of a vacancy on the board of directors, such vacancy shall be filled by a vote of the majority of the remaining directors, even if less than a quorum, elected or designated by the class of stockholders who elected or designated the director whose position is being filled. In the event that there are no such designated directors remaining, then such vacancy shall be filled at a meeting by the stockholders who elected the director whose position is being filled. In the event of any vacancy in the board of directors resulting from an increase in the number of directors, the board of directors shall designate the class

of stock entitled to vote for such directorship, and such vacancy shall then be filled by the remaining directors elected by such class, even if less than a quorum, or by the stockholders of such class.

Record Date:	<p>Under the Bylaws, the Board of Directors may fix in advance a record date for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such record date to be not less than ten nor more than seventy days prior to such meeting.</p>	<p>Under Newco's bylaws, the board of directors may fix a record date to determine the stockholders entitled to notice of a meeting, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. Each stockholder entitled to notice must be given written notice (unless waived) of each annual or special meeting not less than 10 days nor more than 60 days before the date of the meeting. The notice shall state the place, if any, date and time of such meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining stockholders entitled to vote at the meeting or any adjournment thereof (if such record date is different from the record date for determining the stockholders entitled to notice of the meeting), and, in the case of a special meeting, the purpose or purposes for which such meeting is to be held.</p>
Notice of Meetings:	<p>Each shareholder entitled to vote must be given written notice (unless waived) of each annual or special meeting, stating the place, date, time, and, in the case of a special meeting, purpose(s) of the meeting, not less than 10 nor more than 60 days before the date of the meeting; except that, if the number of authorized shares is to be increased, at least 30 days' notice shall be given.</p>	

Advance Notice By  
Stockholders for Director  
Nominations and Other  
Business:

Neither NWLIC's restated articles of incorporation nor its bylaws have any provisions requiring advance notice by stockholders, or the provision of specified information in such a notice, to properly bring any director nominations or other business before an annual or special meeting of the stockholders.

Newco's bylaws require that, for any nominations of directors or other business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary and any such proposed business (other than the nominations of persons for election to the board of directors) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the secretary at the principal executive offices of Newco not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by Newco). In the event Newco calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, the stockholder must deliver such notice to the secretary at the principal executive offices of Newco not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting.

In addition, under Newco's bylaws, the notice delivered by the stockholder must set forth certain information, including information regarding (a) the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made; (b) each person whom the stockholder proposes to nominate for election as a director; and (c) any other business that the stockholder proposes to bring before the meeting.

Amendments to Charter:	<p>The CBCA provides that amendments to a corporation's articles of incorporation (other than certain ministerial amendments that may be made by the board of directors, without shareholder action) may be proposed by the board of directors or by the holders of shares representing at least 10% of all of the votes entitled to be cast on the amendment. The board of directors must recommend the amendment to the shareholders, unless the amendment is being proposed by the shareholders, or unless the board of directors determines that because of a conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders. The adoption of the amendment requires the affirmative vote of holders of at least two-thirds of the outstanding shares of each of the Class A Stock and Class B stock entitled to vote. In addition, NWLIC's restated articles of incorporation requires the approval of at least 75% of the voting power of all outstanding Class A Stock to amend certain provisions of the restated articles of incorporation relating to the dividend and liquidation preferences of the Class A Stock.</p>	<p>Other than with respect to certain ministerial amendments that may be made by the board of directors without the approval of stockholders, the DGCL requires that the board of directors adopt a resolution setting forth any proposed amendment to Newco's restated certificate of incorporation, declaring its advisability, and that the amendment be approved by a majority of the outstanding stock entitled to vote on the amendment; additionally, the amendment must be approved by a majority of the outstanding stock of each class entitled to vote separately as a class on the amendment.</p>
Amendments to Bylaws:	<p>Pursuant to NWLIC's bylaws, the bylaws may be altered, amended or repealed or new bylaws may be adopted by either a majority vote of the board of directors or the affirmative vote of a majority of the holders of stock entitled to vote on the matter.</p>	<p>In addition, the following sections of Newco's restated certificate of incorporation may be amended, repealed, or altered only at a meeting of the stockholders by vote of the holders of at least 66 2/3% of the shares of capital stock entitled to vote: (1) Article V-Board of Directors; (2) Article VI-Limitation of Director Liability; Indemnification and Advancement of Expenses of Directors and Officers; (3) Article VII-Matters Relating to Stockholders; and (4) Article VIII-Amendments to the Certificate of Incorporation and Bylaws. In addition, Newco's restated certificate of incorporation separately requires the approval of at least 75% of the voting power of all outstanding Class A common stock to amend certain provisions of the restated certificate of incorporation relating to the dividend and liquidation preferences of the Class A common stock. Pursuant to Newco's restated certificate of incorporation and bylaws, the bylaws may be altered, amended or repealed or new bylaws may be adopted by (i) a majority vote of the board of directors or (ii) the affirmative vote of 66 2/3% of the shares of capital stock entitled to vote.</p>
Special Stockholders' Meetings:	<p>Under the Bylaws, special meetings of the shareholders may be called by the Chairman of the Board, the President, or the Board of Directors. Under the CBCA, special meetings of shareholders may also</p>	<p>Pursuant to Newco's bylaws, special meetings of stockholders may be called by (i) the Board of Directors, (ii) the Chairman of the Board of Directors, (iii) the President, (iv) the Chief Executive</p>

be called by shareholders representing at least ten percent of all the votes entitled to be cast on any issue proposed to be considered at the meeting.

Officer, or (v) the Secretary upon the written request of the record holder(s) of at least 25% of the outstanding shares of Newco's common stock, provided that such holder(s) has continuously held such shares for a period of two years prior to the delivery of such written request for a special meeting and has complied in full with additional requirements set forth in Newco's bylaws.

Action by Consent of  
Stockholders:

The CBCA and NWLIC's organizational documents, taken together, permit shareholders to take action by written consent in lieu of a meeting so long as such consent is unanimous.

As permitted under the DGCL, Newco's restated certificate of incorporation prohibits stockholder action except at an annual or special meeting of stockholders, and no action may be taken by written consent.

Indemnification of  
Directors and Officers:

NWLIC's bylaws provide that NWLIC will indemnify its officers and directors against judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement, and reasonable expenses actually incurred by them while serving in such capacity if they (i) conducted themselves in good faith, (ii) reasonably believed, in the case of conduct in their official capacity, that their conduct was in NWLIC's best interests and, in all other cases, that their conduct was at least not opposed to NWLIC's best interests, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that their conduct was unlawful; provided, the indemnification in connection with a proceeding brought by or on behalf of NWLIC is limited under the bylaws to the reasonable expenses (including court costs and attorney's fees) actually incurred by the officer or director in connection with the proceeding. No indemnification, however, shall be made in connection with proceedings in which the officer or director is (a) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in his official capacity, or (b) found liable to NWLIC.

Newco's bylaws provide that Newco will indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including, but not limited to, serving as a witness without being named a defendant or respondent, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of Newco or, while a director or officer of Newco, is or was serving at the request of Newco as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all liability and loss suffered (including, but not limited to, judgments, penalties, fines, excise taxes, and amounts paid in settlement) and expenses (including attorneys' fees) reasonably incurred by such covered person. In the case of a proceeding commenced by a covered person, Newco will only be required to indemnify the covered person if commencement of the proceeding (or part thereof) by the covered person was authorized in the specific case by the board of directors.

Any such indemnification under Newco's bylaws (unless ordered by a court) may be made by Newco only as authorized in the specific case upon a determination that indemnification of the covered person is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 145 of the DGCL. This determination must be made, with respect to the covered person: (i) by a majority vote of the directors who are not parties to such proceeding, though less than a quorum, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a



quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders of Newco.

Limitation of Director Liability:

NWLIC's restated articles of incorporation does not include a provision eliminating or limiting the personal liability of a director to NWLIC or to its shareholders for monetary damages for breach of fiduciary duty as a director.

Newco's restated certificate of incorporation provides, to the fullest extent permitted by Delaware law, that directors will not be liable to Newco or its stockholders for monetary damages for breach of fiduciary duty as a director. Delaware law currently provides that personal monetary liability may not be eliminated or limited for breach of fiduciary duty that arises (a) from any breach of the director's duty of loyalty to the corporation or its stockholders; (b) from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) under Section 174 of the Delaware General Corporation Law; or (d) from any transaction from which the director derived an improper personal benefit. The DGCL provides that if a person acquires 15% or more of the stock of a Delaware corporation, such person may not engage in transactions with the corporation for a period of three years. The statute contains exceptions to this prohibition. The prohibition on business combinations is not applicable if, for example, the board of directors approves the acquisition of stock or the transaction prior to the time that the person becomes an interested stockholder, or if the interested stockholder acquired at least 85% of the voting stock of the corporation (excluding voting stock owned by directors who are also officers and employee stock plans) in the transaction that resulted in the person becoming an interested stockholder, or if the transaction is approved by the board of directors and two-thirds of the holders of the outstanding voting stock which is not owned by the interested stockholder at a meeting of the stockholders.

Relevant Business Combination Provisions and Statutes:

The CBCA does not contain any "business combination provisions" which would serve to prevent or delay combinations with "interested shareholders."

Merger, Consolidation,  
and Sale of All or  
Substantially All Assets:

Under the CBCA, a plan of merger or plan of share exchange must be approved by each voting group entitled to vote separately on the plan by a majority of all the votes entitled to be cast on the plan by that voting group. Separate voting by voting groups is required:

On a plan of merger if the plan contains a provision that, if contained in an amendment to the articles of incorporation, would require action by one or more separate voting groups on the amendment; and

On a plan of share exchange by each class or series of shares included in the share exchange, with each class or series constituting a separate voting group.

Action by the shareholders of the surviving corporation on a plan of merger is not required if:

the articles of incorporation of the surviving corporation will not differ, except for certain permitted amendments, from its articles of incorporation before the merger;

each shareholder of the surviving corporation whose shares were outstanding immediately before the merger will hold the same number of shares, with identical designations, preferences, limitations, and relative rights, immediately after the merger;

the number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable as a result of the merger, will not exceed by more than twenty percent the total number of voting shares of the surviving corporation outstanding immediately before the merger; and

the number of participating shares outstanding immediately after the merger,

Under the DGCL, a merger, consolidation, or sale of all or substantially all of a corporation's assets generally must be approved by the board of directors and by a majority of the outstanding stock of the corporation entitled to vote thereon. However, there are certain exceptions. For example, no vote of stockholders of a constituent corporation surviving a merger is required, unless the corporation provides otherwise in its certificate of incorporation, if:

the merger agreement does not amend in any respect the certificate of incorporation of the constituent corporation;

each share of stock of the constituent corporation outstanding before the merger is an identical outstanding or treasury share of the surviving corporation after the merger; and

either no shares of common stock of the surviving corporation are to be issued or delivered pursuant to the merger or the authorized unissued shares or treasury shares of the surviving corporation to be issued do not exceed 20% of the shares of common stock of such constituent corporation outstanding immediately prior to the effective time of the merger.

plus the number of participating shares issuable as a result of the merger, will not exceed by more than twenty percent the total number of participating shares outstanding immediately before the merger.

Under the CBCA, a sale, lease, exchange, or other disposition of all, or substantially all, of the property of a corporation, with or without its good will, other than in the usual and regular course of business generally must be approved by each voting group entitled to vote separately on the transaction or consent by a majority of all the votes entitled to be cast on the transaction or the consent by that voting group.

The CBCA provides shareholders (which includes record shareholders and beneficial owners) with the right to dissent and obtain payment of the fair value of the shareholder's shares in the event certain mergers, share exchanges, sales, leases, exchanges or other dispositions of all or substantially all of the property of the corporation and conversions. As a general matter, appraisal rights are not available with respect to shares:

listed on a national securities exchange, or held of record by more than 2,000 shareholders,

unless holders of shares will receive for the shareholder's shares, pursuant to the corporate action, anything except:

shares of the corporation surviving the consummation of the plan of merger or share exchange,

shares of Shares of any other corporation which, at the effective date of the plan of merger or share exchange, will be:

listed on a national securities exchange, or

held of record by more than 2,000 holders,

cash instead of fractional shares of stock; and

any combination of the foregoing described shares or cash in lieu of fractional shares.

Shareholders also may dissent in the case of a reverse stock split that reduces the number of shares owned to a fraction of a share or to scrip if such scrip is to be acquired for cash or voided.

The DGCL provides record stockholders of a corporation involved in a merger or consolidation the right to demand and receive payment in cash of the fair value of their stock in certain mergers and consolidations if the stockholder continuously holds such shares through the effective date of the merger or consolidation and has neither voted in favor of the merger or consolidation nor consented thereto in writing. As a general matter, appraisal rights are not available with respect to shares:

listed on a national securities exchange, or

held of record by more than 2,000 stockholders,

unless holders of shares are required to accept in the merger or consolidation anything other than any combination of:

shares of stock of the surviving corporation in the merger or consolidation or depository receipts in respect thereof,

shares of stock (or depository receipts in respect thereof) of another corporation that, at the effective date of the merger or consolidation, will be:

listed on a national securities exchange, or

held of record by more than 2,000 holders,

cash instead of fractional shares of stock or fractional depository receipts received, and

any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs.

Dissenters' and Appraisal Rights:

Franchise Tax:

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There is no franchise tax in Colorado.  
There is a nominal annual fee assessed to maintain the good standing of a corporation in the State of Colorado.

The DGCL requires corporations to pay franchise tax annually. The amount of such franchise tax will be significantly more than the nominal annual fee NWLIC is paying in Colorado.

## PROPOSAL 2: ELECTION OF DIRECTORS

Our Restated Articles of Incorporation and Restated Bylaws provide that the Board of Directors shall consist of a minimum of seven directors and a maximum of twenty-seven directors. The Board of Directors currently consists of 10 members. A Board of Directors composed of 10 persons is recommended by the Board of Directors to be elected at the 2015 Annual Meeting to serve until the next Annual Meeting of Shareholders, or until their successors have been duly elected and qualified. Article 4 of the Restated Articles of Incorporation of the Company provides that the Class A shareholders shall have the exclusive right to elect one-third of the Board of Directors, plus one director for any remaining fraction, and that the Class B shareholders shall have the exclusive right to elect the remaining members of the Board of Directors. Accordingly, the Board of Directors recommends the election of four Class A nominees and six Class B nominees indicated below. A plurality of each class of stock voting separately will be necessary to elect the directors of that particular class. It is the intention of the persons named in the enclosed proxy to vote for the nominees of the particular class, unless the proxy has been marked to withhold authority to vote for the nominees. The Restated Articles of Incorporation of the Company do not permit cumulative voting for directors.

It is the intention of the persons named in the proxy, in the absence of a contrary direction, to vote FOR the election of each of the 10 persons named in this proxy statement as nominees for director for a one-year term expiring at the 2016 Annual Meeting of Shareholders or until their successors are duly elected and qualified or until their earlier death, resignation, or removal.

## Nominees for the Board of Directors

Our nominees for the election of directors include three independent directors, as defined by the NASDAQ Listing Rules and determined by the Board of Directors, and three members of our senior management. The names of the nominees for election as a director to serve until the 2016 Annual Meeting of Shareholders, or until their earlier resignation or removal, and certain additional information with respect to each of them, are set forth below. The nominees have consented to be named in this proxy statement and to serve as directors, if elected. Except as indicated in "Relationships among Directors and Executive Officers" below, there are no family relationships among any of our executive officers or the director nominees.

If, at the time of or prior to the Annual Meeting, any of the nominees is unable or declines to serve, the persons named as proxies may use the discretionary authority provided in the proxy to vote for a substitute or substitutes designated by the Board of Directors. If the proxy has been marked to withhold authority to vote for the nominees, the proxy will not then be voted either for or against such substitute nominees. The Board of Directors has no reason to believe that any substitute nominee or nominees will be required.

## Class A Nominees

Name of Director	Principal Occupation During Last Five Years and Directorships	Class Nominee	Age	Director Since
Stephen E. Glasgow (2) (4)	Partner, G-2 Development, LP Austin, Texas	Class A	52	2004
E. Douglas McLeod	Attorney, Investments, and Chairman and Director of Moody Gardens, Inc.	Class A	73	1979
Louis E. Pauls, Jr.	President, Louis Pauls & Company;	Class A	79	1971

(2) (4)	Investments, Galveston, Texas			
E. J. Pederson	Managing Director, CitareTx, LLC;	Class A	67	1992
(2) (4)	Special Assistant to the Executive Vice President and CEO of the Texas A&M Health Science Center			



## Class B Nominees

Name of Director	Principal Occupation During Last Five Years and Directorships	Class Nominee	Age	Director Since
Robert L. Moody (1) (3)	Chairman of the Board and Chief Executive Officer of the Company	Class B	79	1963
Ross R. Moody (1) (3)	President and Chief Operating Officer of the Company	Class B	52	1981
Ann M. Moody	Director of Gal-Tex Hotel Corporation, Transitional Learning Center, and Moody Endowment	Class B	77	2014
Charles D. Milos (1) (3)	Senior Vice President of the Company	Class B	69	1981
Frances A. Moody-Dahlberg	Executive Director, The Moody Foundation, Dallas, Texas	Class B	45	1990
Russell S. Moody	Investments, League City, Texas	Class B	53	1988

(1) Member of Executive Committee.

(2) Member of Audit Committee.

(3) Member of Investment Committee.

(4) Member of Compensation and Stock Option Committee.

There are no arrangements or understandings pursuant to which any director was elected. All directors hold office for a term of one year or until their successors are elected and qualified.

## Class A Nominees

## STEPHEN E. GLASGOW

Managing Partner of Texas GSA Holdings, LP, G-2 Development, LP, and RAM Investments, real estate development and investment companies, since 2006, 2003, and 1990, respectively. Mr. Glasgow has developed and built a variety of different projects, including residential subdivisions, single and multi-family products, commercial office buildings, retail centers, and government properties. Mr. Glasgow's independence, experience, and financial acumen qualify him to serve as a member of our Board of Directors.

## E. DOUGLAS McLEOD

Attorney; Investments; Former state legislator; Member of the NWL Board for 36 continuous years; Chairman and Director of Moody Gardens, Inc. (charitable corporation); Advisory Director of American National Insurance Company, Galveston, Texas; Director of ANREM Corporation (real estate management corporation); Vice-President and Director of Colonel Museum, Inc. (charitable organization); and Past Director, Executive Board Member, and Chairman - Audit Committee of South Texas College of Law (law school) in Houston, Texas. Mr. McLeod's experience as an attorney and elected public official, as well as experience in real estate development and non-profit administration allow him to provide a varied set of problem-solving skills and valuable insight to the Company as a

member of our Board of Directors.

**LOUIS E. PAULS, JR.**

Owner and President of Louis Pauls & Co., a municipal bond and investment firm, since 1958. Mr. Paul's longstanding business knowledge and experience directing the management of our Company qualifies him to serve as a member of our Board of Directors.

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**E. J. PEDERSON**

Managing Director, CitareTx, LLC as of July 2014. Special Assistant to the Executive Vice President and CEO of the Texas A&M Health Science Center from October 1, 2013 to June 2014; Interim President, Texas A&M Health Science Center and Interim Vice Chancellor for Health Affairs, The Texas A&M University System from October 2012 to October 2013; Management consultant from January 2007 to October 2012; Executive Vice President, The University of Texas Medical Branch, Galveston from 1986-2007; Vice President Business Affairs of the University of Texas at San Antonio from 1984-1986; and Vice President Business Affairs of the University of Texas at Dallas from 1980-1984. Mr. Pederson's combination of independence, financial expertise, and experience qualify him to serve as a member of our Board of Directors.

**Class B Nominees**

**ROBERT L. MOODY**

Chairman of the Board and Chief Executive Officer of the Company from 1963-1968, 1971-1980, and 1981-Present; Chief Executive Officer of American National Insurance Company ("ANICO") (insurance services) since 1991 and Chairman of the Board since 1982; Director of American National Insurance Company since 1960; Chairman of the Board, Chief Executive Officer, and Director of Moody National Bank (banking services); and Trustee of The Moody Foundation (charitable and educational foundation) since 1955. Mr. Moody's tenure as Chief Executive Officer affords him extensive insight into the Company's operations and qualifies him to serve as Chairman of our Board of Directors.

**ROSS R. MOODY**

President and Chief Operating Officer of the Company since 1992; Director, Officer, and/or Manager of various Company subsidiaries; Trustee of The Moody Foundation (charitable and educational foundation); and Director of American National County Mutual Insurance Company, an indirect subsidiary of American National Insurance Company. Mr. Moody's experience as our President and Chief Operations Officer provides him with significant insight into our operations and qualifies him to serve as a member of our Board of Directors.

**CHARLES D. MILOS**

Senior Vice President – Mortgage Loans and Real Estate of the Company since 1983; Director, officer, and/or manager of various Company subsidiaries; and President of Regent Care Management and Regent Care Management Services since 2005. Mr. Milos was Vice President of Seal Fleet, Inc. from 1981-1983 and an Investment Analyst for the Company from 1976-1981. Mr. Milos' considerable experience as a senior officer of the Company, along with his understanding of its operations, qualifies him to serve as a member of our Board of Directors.

**ANN M. MOODY**

Mrs. Moody currently serves as a director on the Board of Directors of Gal-Tex Hotel Corporation, Transitional Learning Center, and Moody Endowment. She has previously served as a board member of Moody Gardens, First National Life Insurance Company, Westcap, Hometown Bank, Securities Management and Research, and the O'Connell High School Board. Mrs. Moody's extensive experience as a director of multiple regulated financial entities and her macroeconomic approach to management qualify her to serve as a member of our Board of Directors.

**FRANCES A. MOODY-DAHLBERG**

Executive Director of The Moody Foundation (charitable and educational foundation) since January 1998; Coordinator, Charitable Requests for the Company since March 15, 2010; a Trustee of The Moody Foundation since February 2004; Director of American National Insurance Company since 1987; Past Director of Gal-Tex Hotel Corporation (hotel management corporation) from March 2000 to December 2003; and past Director of The Moody Endowment (charitable corporation) from 1991 to February 2004. Mrs. Moody-Dahlberg's significant director

experience affords her with the qualities necessary to serve as a member of our Board of Directors.

**RUSSELL S. MOODY**

Investments, League City, Texas; Director of American National Insurance Company, since 1986; and past Director of Gal-Tex Hotel Corporation (hotel management company) from March 2000 to December 2003. Mr. Moody's longstanding directorships provide him with the experience and understanding to qualify him to serve as a member of our Board of Directors.

The Board of Directors recommends that you vote "FOR" the election of the nominees for director to serve until the 2016 Annual Meeting of Shareholders. All proxies executed and returned will be voted "FOR" the nominees unless the proxy specifies otherwise.

## EXECUTIVE OFFICERS

The following persons are our executive officers, serving at the discretion of the Board of Directors, as of April 20, 2015. Except as set forth below, there are no family relationships among any of our executive officers or nominees for director.

Name	Age	Position Held (Date Appointed to Position)
Robert L. Moody	79	Chairman of the Board and Chief Executive Officer (1963-1968, 1971-1980, 1981), Director
Ross R. Moody	52	President and Chief Operating Officer (1992), Director
S. Christopher Johnson	46	Senior Vice President - Chief Marketing Officer (2006)
Kitty Kennedy Nelson	66	Senior Vice President - Chief Actuary (2012)
Carlos A. Martinez	50	Senior Vice President - International Marketing (2012)
Charles D. Milos	69	Senior Vice President - Mortgage Loans and Real Estate (1990), Director
Rey Perez	42	Senior Vice President - Chief Legal Officer and Secretary (2015)
Brian M. Pribyl	56	Senior Vice President - Chief Financial Officer and Treasurer (2001)
Patricia L. Scheuer	63	Senior Vice President - Chief Investment Officer (1992)
Robert Sweeney	49	Senior Vice President - Chief Administrative Officer (2013)
Bruce E. Wood	54	Vice President - Controller (2014)

The biographies for Robert L. Moody, our Chairman of the Board and Chief Executive Officer, Ross R. Moody, our President and Chief Operating Officer, and Charles D. Milos, our Senior Vice President – Mortgage Loans and Real Estate, are listed above under the heading “Nominees for the Board of Directors.”

All of our executive officers listed above have served in various executive capacities with the Company for more than five years, except as described below.

There are no arrangements or understandings pursuant to which any officer was elected. All officers hold office for a term of one year or until their successors are elected and qualified, unless otherwise specified by the Board of Directors.

## S. CHRISTOPHER JOHNSON

Mr. Johnson has been our Senior Vice President – Chief Marketing Officer since 2006. Mr. Johnson was Senior Regional Vice President of Allstate - Lincoln Benefit Life from 1999 to 2006; Senior Sales Representative with Mutual of Omaha from 1998 to 1999; Field Sales Manager of Financial Brokerage from 1995 to 1998; Agent/Consultant with Financial Facts & Services from 1994 to 1995; and Branch Manager of Hooper

Holmes/Portamedic from 1993 to 1994.

**KITTY KENNEDY NELSON**

Mrs. Nelson has been our Senior Vice President – Chief Actuary since January 2013. Mrs. Nelson was our Vice President - Valuation Actuary from January 2007 to December 2012 and our Assistant Vice President - Associate Actuary from November 2002 to December 2006. Prior to joining NWLIC, Mrs. Nelson was with G.P. Monnin Consulting, Inc. in Austin from February to November 2002; was Senior Vice President and Chief Operations Officer with Americo Life, Inc. from 1998 to 2000; and was

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with United Companies Life Insurance Company a.k.a United Life & Annuity Insurance Company from 1984-1998, holding the title of Executive Vice President, Chief Administrative Officer and Chief Actuary from 1993 to 1998.

**DR. CARLOS A. MARTINEZ**

Dr. Martinez has been our Senior Vice President – International Marketing since June 2012. Dr. Martinez was Vice President - International Sales Development from May 2009 to June 2012, Assistant Vice President then Vice President of International New Business and Risk Selection from April 2004 to May 2009, and Senior Underwriter for the International Market from February 1997 to April 2004; prior to joining the Company, Dr. Martinez held the position of lead International Underwriter for Great Southern Life from 1996 to 1997 and for Citizens Life Insurance Company from 1994 to 1996.

**REY PEREZ**

Mr. Perez has been Senior Vice President – Chief Legal Officer and Secretary since February 2015. Mr. Perez was Vice President – Corporate Counsel of the Company from December 2011 to February 2015, Assistant Vice President - Corporate Counsel from April 2006 to December 2011, and Corporate Counsel from May 2001 to April 2006.

**BRIAN M. PRIBYL**

Mr. Pribyl has been Senior Vice President – Chief Financial Officer and Treasurer since 2001. Mr. Pribyl was an Executive Vice President – Chief Financial Officer, Treasurer and Secretary for Interstate Assurance Company from July 1990 to April 2001, and an Audit Manager for Price Waterhouse from 1983 to 1990.

**PATRICIA L. SCHEUER**

Ms. Scheuer has been Senior Vice President – Chief Investment Officer since 1992. She was a Fixed Income Manager for Texas Permanent School Fund from February 1988 to August 1992, a Sr. Financial Analyst for Public Utility Commission of Texas from December 1984 to February 1988, and a Management Consultant for Deloitte Haskins & Sells from July 1983 to November 1984.

**ROBERT SWEENEY**

Mr. Sweeney has been Senior Vice President - Chief Administrative Officer since June 2013. Mr. Sweeney was Vice President of Administration for SCOR Reinsurance from November 2009 to June 2013, Vice President of Operations for Old Mutual Financial Network from December 2006 to November 2009, and Vice President of Administration for KMG America from June 2001 to December 2006. Mr. Sweeney has also held Second Vice President of Operations positions with AFLAC, Conesco, and Shenandoah Life Insurance, after starting his career with Allstate Life Insurance Company in January 1987 and serving in various underwriting and managerial positions through August 1995.

**BRUCE E. WOOD**

Mr. Wood has been Vice President - Controller and Assistant Treasurer since June 2014. Mr Wood was previously employed at property and casualty insurance carriers including as Controller of Capson Corporation from July 2012 to June 2014 and as Chief Accounting Officer of American Physicians Service Group from October 2001 to September 2011. He possesses thirty years of accounting and financial reporting experience including employment with Dell Financial Services, and various agencies of the State of Texas.

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Other than as set forth in the following paragraphs, we are not aware of any transactions since the beginning of 2014 or any currently proposed transaction between us or our subsidiaries and any member of the Board of Directors, any of our executive officers, any security holder who is known to us to own of record or beneficially more than 5% of our Common Stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds \$120,000 and in which any of the foregoing persons had, or will have, a direct or indirect material

interest. Except as otherwise noted and as applicable, we believe that each transaction described below is, or was, as the case may be, on terms at least as favorable to us as we would expect to negotiate with an unaffiliated party.

#### Relationships among Directors and Executive Officers

Robert L. Moody, of Galveston, Texas, the Chairman of the Board and Chief Executive Officer of the Company, is the husband of Ann M. Moody, father of Ross R. Moody, Russell S. Moody, and Frances A. Moody-Dahlberg, and the brother-in-law of E. Douglas McLeod. Ross R. Moody of Austin, Texas, the President and Chief Operating Officer and a director of the Company, is the son of Robert L. Moody, stepson of Ann M. Moody, and the brother of Russell S. Moody and Frances A. Moody-Dahlberg. Frances A. Moody-Dahlberg of Dallas, Texas, an employee and director of the Company, is the daughter of Robert L. Moody and Ann M. Moody, and the sister of Ross R. Moody and Russell S. Moody. E. Douglas McLeod of Galveston, Texas, a director of the Company, is the brother of Ann M. Moody and brother-in-law of Robert L. Moody. Russell S. Moody of League



City, Texas, a director of the Company, is the son of Robert L. Moody, the stepson of Ann M. Moody, and the brother of Ross R. Moody and Frances A. Moody-Dahlberg. Ann M. Moody, of Galveston, Texas, a director of the Company, is the wife of Robert L. Moody, sister of E. Douglas McLeod, mother of Frances A. Moody-Dahlberg, and stepmother of Ross R. Moody and Russell S. Moody.

Please read “Compensation Discussion and Analysis” below for information regarding the payments and awards we made to each of the individuals during 2014.

#### Transactions with Related Persons, Promoters, and Certain Control Persons

Robert L. Moody, Jr. (“Mr. Moody, Jr.”) is the son of Robert L. Moody, the Company’s Chairman and Chief Executive Officer, the stepson of Ann M. Moody, a director of NWLIC, and is the brother of Ross R. Moody, the Company’s President and Chief Operating Officer, and of Russell S. Moody and Frances A. Moody-Dahlberg who serve as directors of NWLIC. Frances A. Moody-Dahlberg is also an employee of the Company and she received \$12,033 of compensation in 2014 for services as an employee.

Mr. Moody, Jr. wholly owns an insurance marketing organization that maintains agency contracts with NWLIC pursuant to which agency commissions are paid in accordance with the Company’s standard commission schedules. Mr. Moody, Jr. also maintains an independent agent contract with NWLIC for policies personally sold under which commissions are paid in accordance with standard commission schedules. In 2014, commissions paid under these agency contracts aggregated approximately \$426,445. In his capacity as an insurance marketing organization with the Company, Mr. Moody, Jr. also received marketing consulting fees of \$48,000 in 2014.

Mr. Moody, Jr. further serves as the agent of record for several of the Company’s benefit plans including the self-insured health plan. In 2014, amounts paid to Mr. Moody, Jr. as commissions and service fees pertaining to the Company’s benefit plans approximated \$89,253.

Mr. Moody, Jr. is an Advisory Director of a wholly owned subsidiary of the Company. As an Advisory Director, Mr. Moody, Jr. received director fees and other perquisites totaling \$50,681 during 2014.

During 2014, management fees totaling \$819,085 were paid to Regent Management Services, Limited Partnership (“RMS”) for services provided to downstream nursing home subsidiaries of NWLIC. RMS is 1% owned by general partner RCC Management Services, Inc. (“RCC”), and 99% owned by limited partner, Three R Trusts. RCC is 100% owned by the Three R Trusts. The Three R Trusts are four Texas trusts for the benefit of the children of Robert L. Moody (Robert L. Moody, Jr., Ross R. Moody, Russell S. Moody, and Frances A. Moody-Dahlberg). Charles D. Milos, Senior Vice President-Mortgage Loans and Real Estate, and a director of the Company, is a director and President of RCC.

The Company holds a common stock investment totaling approximately 6.8% of the issued and outstanding shares of Moody Bancshares, Inc. at December 31, 2014. Moody Bancshares, Inc. owns 100% of the outstanding shares of Moody Bank Holding Company, Inc., which owns approximately 97.8% of the outstanding shares of The Moody National Bank of Galveston (“MNB”). The Company utilizes MNB for the Company’s general banking services and for certain bank custodian services as well as for certain administrative services with respect to the Company’s defined benefit and contribution plans. During 2014, fees totaling \$663,132 were paid to MNB with respect to these services. Effective November 1, 2011, the Company amended a 36 month sublease on one of the Company’s leased office locations for \$6,363 per month with MNB. The sublease with MNB expires April 30, 2015 and will not be renewed. During 2009, the Company entered into a revolving credit loan agreement with MNB, pursuant to which MNB granted to the Company a revolving line of credit up to the principal amount of \$40,000,000, and executed a Master Repurchase Agreement with MNB providing for the overnight investment of Company cash balances. The revolving

credit loan agreement was renewed with MNB during 2013 under the same terms and conditions. Robert L. Moody, the Company's Chairman and Chief Executive Officer, serves as Chairman of the Board and Chief Executive Officer of MNB. The ultimate controlling person of MNB is the Three R Trusts.

During 2014, the Company paid American National Insurance Company ("ANICO") \$265,602 in premiums for certain company sponsored benefit plans and \$1,800,770 in reimbursements for claim costs for which ANICO provides third party administrative services. ANICO paid the Company \$1,875,802 in premiums for its company sponsored benefit plans. The Company maintains an investment management agreement with American National Registered Investment Advisor, Inc., a subsidiary of ANICO, under which \$42,164 was paid for services in 2014. The Company executed a two year agreement in April 2014 with ANICO for a disaster recovery site totaling \$12,917. Robert L. Moody, the Company's Chairman and Chief Executive Officer is also ANICO's Chairman and Chief Executive Officer.

## Review, Approval, and Ratification of Transactions with Related Persons

In accordance with the Company's Audit Committee Charter, related party transactions must be reviewed and approved by the Audit Committee of the Board of Directors, both at inception and on an ongoing basis. Periodic reports of potential related party transactions are brought to the attention of the Audit Committee by management and the Audit Committee reviews the information on a case by case basis to determine if any transaction is a related party transaction. The standard of review for any related party transaction is that the transaction must be fair to the Company and the transaction must be no more favorable to the related party than a similar arm's length transaction with a non-related party.

While the Company has not adopted written procedures for review of, or written standards for approval of, these transactions, the policies and procedures followed are evidenced by the Audit Committee Charter, memorandums, and documentation of review and approvals.

## INFORMATION RELATING TO OUR BOARD OF DIRECTORS AND CERTAIN COMMITTEES OF OUR BOARD OF DIRECTORS

### The Board of Directors

Our business is managed through the oversight and direction of our Board of Directors. The Board of Directors currently has ten members.

### Meetings of the Board of Directors

During 2014, the Board of Directors held a total of seven meetings. In addition to meetings, the Board of Directors acts by written consent from time to time and did so once during 2014. All of the current directors that were members of the Board of Directors during 2014 attended more than 75% of the meetings. Each such director attended more than 75% of the meetings of the committees of which he is a member that were held during 2014.

### Attendance at Annual Meetings of Shareholders

We encourage but do not require our Board members to attend the annual meeting of shareholders. Eight of the then current members of the Board of Directors attended the 2014 annual meeting of shareholders.

### Board Leadership / Affirmative Determinations Regarding Director Independence

The Company is a "Controlled Company" as defined in NASDAQ Listing Rule 5615(c)(1) and is exempt from the requirement to have a majority of the members of its Board of Directors as independent directors. The Company qualifies as a Controlled Company because more than 50% of the voting power for the election of directors is held by Robert L. Moody.

The Board of Directors does not currently separate the role of Chairman of the Board from the role of Chief Executive Officer (both of which are held by Robert L. Moody) because it believes that this structure currently provides the most efficient and effective leadership model for the Company. The Company does not have a separate lead director. The Board of Directors has affirmatively determined that each of Messrs. Stephen E. Glasgow, Louis E. Pauls, Jr., and E. J. Pederson are "independent directors" as such term is defined in NASDAQ Listing Rule 5605(a)(2). These independent directors met in executive session on two separate occasions during 2014.

If all nominees are elected at the Annual Meeting, Stephen E. Glasgow, Louis E. Pauls, Jr., and E. J. Pederson will be the sole members of the compensation and stock option and audit committees. The Board of Directors has also affirmatively determined that each such member of these committees satisfies the independence requirements applicable to audit and compensation committees as prescribed by the NASDAQ Listing Rules and the rules and regulations of the SEC. Robert L. Moody, Ross R. Moody, and Charles D. Milos are not “independent directors” because they are our Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer, and Senior Vice President - Mortgage Loans and Real Estate, respectively. Ann M. Moody, Frances A. Moody-Dahlberg, Russell S. Moody, and E. Douglas McLeod are not “independent directors” because they are Family Members, as defined by NASDAQ Listing Rule 5605(a)(2), of an individual who is employed by the Company as an Executive Officer.

## Risk Management

Similar to other insurers, the Company is exposed to a wide spectrum of financial, operational, and other risks. Effective enterprise risk management is a key concern for identifying, monitoring, measuring, communicating, and managing risks within limits and risk tolerances. The Company's Board of Directors and senior management are knowledgeable of and accountable for key risks. The Board meets at least every other month and regularly hears reports from the President and Chief Operating Officer, the Chief Financial Officer, the Chief Actuary, the Chief Investment Officer, and the Chief Legal Officer. In addition, the Board has several committees which include the Audit Committee, the Investment Committee, and the Compensation and Stock Option Committee that regularly convene to address various aspects of risk.

The Company maintains several management groups and committees that meet regularly to monitor, discuss, and manage a variety of issues and risks associated with the business. These groups and committees include numerous areas such as regulatory compliance, financial reporting process and controls, fraud unit investigations, product spread management, and business strategy. Key members of senior management are involved with these groups and committees providing direction and oversight and serve as a reporting liaison with the Company's Board of Directors and sub-committees.

## Committees of the Board of Directors

Our Board of Directors has the following standing, separately-designated committees: (i) an Executive Committee, (ii) an Audit Committee; (iii) an Investment Committee, and (iv) a Compensation and Stock Option Committee. Information regarding each of the committees is set forth below.

### Executive Committee

The Executive Committee of the Board of Directors may exercise all of the authority of the Board of Directors in the management of the business and affairs of the corporation, except where action of some or all members of the Board of Directors is required by statute, the Articles of Incorporation, the Bylaws, resolution of the Board, or the requirements of the NASDAQ Stock Market, Inc. The Chairman of the Board serves as Chairman of the Executive Committee. Robert L. Moody, Ross R. Moody, and Charles D. Milos are members of the Executive Committee and Robert L. Moody, as Chairman of the Board, serves as Chairman of the Executive Committee. During 2014, the Executive Committee held five meetings and acted once via unanimous written consent.

### Audit Committee

The Audit Committee of the Board of Directors consists of three non-employee directors. Pursuant to the NASDAQ Listing Rules and federal securities laws, all of the members of the Audit Committee are independent. The committee is primarily responsible for oversight of the Company's financial statements and controls; assessing and ensuring the independence, qualifications, and performance of the independent auditors; appointing and retaining the independent auditors; approving the independent auditor's services and fees; reviewing and approving all related party transactions; reviewing potential conflict of interest situations where appropriate; overseeing and directing internal audit activities; reviewing the Company's financial risk assessment process and ethical, legal, and regulatory compliance programs; and reviewing and approving the annual audited financial statements for the Company before issuance. Stephen E. Glasgow, Louis E. Pauls, Jr. and E. J. Pederson are members of the Audit Committee. Louis E. Pauls, Jr. serves as Chairman of the Audit Committee. The Audit Committee Charter is available in the Financial Information section on the Company's website at [www.nationalwesternlife.com](http://www.nationalwesternlife.com). During 2014, the Audit Committee held 11 meetings.

The Board of Directors has determined that Mr. E. J. Pederson is an "Audit Committee Financial Expert" as defined by the Securities Exchange Act of 1934, as amended, and as noted above Mr. Pederson is an independent director. Additionally, both Mr. Glasgow and Mr. Pauls are financially literate and are able to read and understand financial statements, including a company's balance sheet, income statement, and cash flow statement.

#### Investment Committee

The Investment Committee of the Board of Directors is comprised of three directors (and one Company officer) and has the responsibility for oversight of the Company's investment transactions including compliance with investment guidelines approved by the full Board of Directors. Robert L. Moody, Ross R. Moody, Charles D. Milos, and Patricia L. Scheuer are members of the Investment Committee. Robert L. Moody, as Chairman of the Board serves as Chairman of the Investment Committee. The Investment Committee held 12 meetings during 2014.

## Compensation and Stock Option Committee

The Compensation and Stock Option Committee (“Compensation Committee”) of the Board of Directors consists of three independent, outside directors and the committee has oversight responsibility for the compensation programs for the Company’s named executive officers as well as all other officers. Stephen E. Glasgow, Louis E. Pauls, Jr., and E. J. Pederson serve as members of the Compensation Committee and E. J. Pederson serves as Chairman of the Committee. The Compensation Committee’s report on executive compensation is included under the heading “Compensation Committee Report,” below. The Compensation Committee, which held five meetings and acted once via unanimous written consent during 2014, does not have a charter.

## DIRECTOR NOMINATIONS

The Company is a “Controlled Company” as defined in NASDAQ Listing Rule 5615(c)(1) and is exempt from the requirement that its independent directors oversee the director nomination process. Therefore, the Company’s Board of Directors in aggregate oversees the director nomination process.

In evaluating potential director candidates, the Board of Directors considers the appropriate balance of experience, skills, and characteristics required of the Board of Directors. The Board of Directors selects director nominees based on their personal and professional integrity, depth and breadth of experience, ability to make independent analytical inquiries, understanding of and familiarity with our business, willingness to devote adequate attention and time to duties of the Board of Directors, and such other criteria as is deemed relevant by the Board of Directors. The Company’s Board of Directors believes that the backgrounds and qualifications of the directors, considered as a group, should provide a diverse mix of experience, knowledge, viewpoints, and skills. The Board of Directors considers the effectiveness of this policy and the effectiveness of the Board of Directors generally in the course of nominating directors for election.

In identifying potential director candidates, the Board of Directors relies on recommendations made by current directors and officers. In addition, the Board of Directors may engage a third party search firm to identify and recommend potential candidates. Finally, the Board of Directors will consider candidates recommended by shareholders.

Any shareholder wishing to recommend a director candidate for consideration by the Board of Directors in connection with the 2016 annual meeting of shareholders must provide written notice not later than January 5, 2016 to the Corporate Secretary at our principal executive offices located at 850 East Anderson Lane, Austin, Texas 78752. Any such notice should clearly indicate that it is a recommendation of a director candidate by a shareholder and must set forth (i) the name, age, business address, and residence address of the recommended candidate, (ii) the principal occupation or employment of such recommended candidate, (iii) the class and number of shares of the corporation which are beneficially owned by such recommended candidate, (iv) a description of all understandings or arrangements between the shareholder and the recommended candidate and any other person or persons pursuant to which the recommendations are to be made by the shareholder, and (v) any other information relating to such recommended candidate that is required to be disclosed in solicitations of proxies for the election of directors. In addition, such notice must contain (i) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote at such meeting, (ii) the name and address, as they appear on the corporation’s books, of the shareholder proposing such nomination, (iii) the class and number of shares of the corporation that are beneficially owned by such shareholder, (iv) any material interest of the shareholder in such recommendation, and (v) any other information that is required to be provided by the shareholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, in such shareholder’s capacity as proponent of a shareholder proposal. Assuming that a shareholder recommendation contains the information required above, the Board of Directors will evaluate a candidate recommended by a shareholder by following substantially the same process, and applying substantially the

same criteria, as for candidates identified through other sources.

## DIRECTOR QUALIFICATIONS

### NWLIC Director Nominees

Each candidate for director (whether or not recommended by a shareholder) must possess at least the following minimum qualifications:

- Each candidate shall be prepared to represent the best interests of all of our shareholders and not just one particular constituency.

- Each candidate shall be an individual who has demonstrated integrity, honesty, and ethics in his or her professional life.



Each candidate shall be prepared to participate fully in Board of Director activities, including attendance at, and active participation in, meetings of the Board of Directors and the committees of which he or she is a member, and not have any other personal or professional commitments that would, in the Board of Directors' sole judgment, interfere with or limit his or her ability to do so.

Each candidate shall possess a general appreciation for the issues confronting a public company of our size and operational scope, including corporate governance concerns, the regulatory obligations of a public company, strategic business planning, competition in a global business economy, and basic concepts of corporate finance.

Each candidate shall be free of any legal or regulatory impediment to service on the Board of Directors.

In addition, the Board of Directors also considers it desirable that candidates possess the following qualities or skills:

Each candidate should have knowledge of insurance company regulations or of regulated industries in general, and be able to meet any specific qualifications imposed by regulators on insurance company executives and directors.

Each candidate should contribute to the Board of Director's overall diversity – diversity being broadly construed to mean a variety of opinions, perspectives, personal and professional experiences and backgrounds, such as gender, race, and ethnicity differences, as well as other differentiating characteristics.

Each candidate should contribute positively to the existing chemistry and collaborative culture among board members.

Each candidate should possess strategic contacts and involvement in business and civic affairs.

## COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Shareholders may communicate with the Board of Directors or with specified individual directors by sending a letter to our Corporate Secretary, Rey Perez, at the following address: National Western Life Insurance Company, 850 East Anderson Lane, Austin, Texas 78752-1602.

Any such communication must contain (i) a representation that the shareholder is a holder of record of stock of the Company, (ii) the name and address, as they appear on the Company's books, of the shareholder sending such communication, and (iii) the class and number of shares of the Company that are beneficially owned by such shareholder. The Corporate Secretary will forward such communications to the Board of Directors or the specified individual director to whom the communication is directed unless such communication is deemed unduly hostile, threatening, illegal, or similarly inappropriate, in which case the Corporate Secretary has the authority to discard the communication or to take appropriate legal action regarding such communication.

## CODE OF ETHICS

The Company has adopted a Code of Ethics and Conduct for all directors, officers, and employees. This Code is intended to comply with the requirement of the Federal Securities laws and the requirements of NASDAQ. The Code of Ethics and Conduct has been posted to the Company's website at [www.nationalwesternlife.com](http://www.nationalwesternlife.com). We may satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of our Code of Ethics and Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer, or controller, or persons performing similar functions, by posting such information on our website where it is accessible through the same link noted above.

COMPENSATION AND STOCK OPTION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

In 2014, Stephen E. Glasgow, Louis E. Pauls, Jr., and E. J. Pederson served as members of our Compensation Committee. None of the members of our Compensation Committee is currently, or has been at any time since our formation, one of our officers or employees.

None of the Company's executive officers serve as a member of the compensation committee of any company that has an executive officer serving on the Company's Board of Directors. In addition, none of the Company's executive officers serve as a member of the board of directors of any company that has an executive officer serving as a member of the Company's compensation and stock option committee.

## Compensation Discussion and Analysis

### Purpose

This Compensation Discussion and Analysis (CD&A) is intended to explain to shareholders how the Company's compensation program is designed and how it operates with respect to our Named Executive Officers, or NEOs, (CEO, CFO, and the Company's three other most highly paid executives in 2014). It first describes our executive compensation philosophy and how we design our compensation program, with a discussion focusing on the main elements. We then detail and analyze the resultant compensation of our Named Executive Officers.

The Compensation Committee is appointed by and serves at the discretion of the Board of Directors. The Compensation Committee consists of three members who meet the independence requirements of the listing standards of NASDAQ. The purpose of the Compensation Committee is to discharge the Board of Directors' responsibilities for reviewing and establishing the compensation not just for the NEOs but for all of the Company's officers. These compensation elements include base salary, annual incentive bonuses, discretionary bonuses and awards, stock option and stock appreciation right grants, and any other officer compensation arrangements. The Committee annually reviews and evaluates the executive compensation program to ensure that the program is aligned with the Company's compensation philosophy and performance.

To assist the Compensation Committee with its responsibilities, it is supported by the Company's Human Resources, Legal, and Financial departments. The Compensation Committee may retain, and has retained, independent compensation consultants who report directly to the members of the Compensation Committee. Meetings of the Compensation Committee are scheduled during the year with additional meetings on an as-necessary interim basis and include sessions without members of management present. The Compensation Committee reports to the Board of Directors on its actions and recommendations.

The Compensation Committee also considers the advice of Mr. Ross R. Moody, our President and Chief Operating Officer, concerning executive officers and key employees other than himself and Mr. Robert L. Moody. Specifically, Mr. Ross R. Moody annually reviews the performance of key employees and each executive officer other than himself and Mr. Robert L. Moody. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Compensation Committee. The Board of Directors and the Compensation Committee exercise their discretion in setting compensation or in modifying any recommended adjustments or awards to executives.

### Compensation Philosophy and Objectives

The Company's overall philosophy in setting compensation policies is to align pay with performance while at the same time providing a competitive compensation that allows the Company to retain and attract talented individuals. Within this overall philosophy, the Compensation Committee has adopted several key principles to help guide compensation decisions for executive officers:

- Provide a competitive total compensation package so the Company can attract, retain, and motivate talented individuals;

- Tie compensation in part to overall Company financial performance through variable bonus awards so that executives are held accountable through their compensation for the performance of the business thus maintaining a certain amount of compensation at risk;

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Tie compensation in part to the Company's stock performance through stock options and stock appreciation rights to align executives' interests with those of the Company's shareholders; and

• Maintain a committee of the Board of Directors independent of senior management that may engage independent compensation consultants as needed to review and establish compensation for executive officers.

Based upon our review of the executive compensation arrangements as detailed in the following sections, the Compensation Committee believes that the compensation program does not encourage executives to take unreasonable risks that may harm shareholder value. This is achieved by striking an appropriate balance between short-term and long-term incentives, using a diversity of metrics to assess performance under our incentive programs, placing caps on our incentive award payout opportunities, and using long-term incentives following equity practices that limit the potential for timing awards.

## Elements of Executive Compensation

Officer compensation arrangements, including executive officers, are reviewed and approved annually by the Compensation Committee. The Compensation Committee focuses primarily on the following components in forming the total compensation package for each Company executive officer:

- Base salary;
- Annual cash incentive bonus based on Company performance versus predetermined targets;
- Discretionary cash bonus based upon individual performance; and
- Long-term incentive compensation in the form of stock options and stock appreciation rights.

The mix of executive compensation elements is based upon a philosophy of correlating a portion of executive compensation with the Company's financial results and stock performance thus putting a segment of executive officer annual and long-term compensation at-risk. This structure provides upside potential and downside risk for senior executive positions in recognition that these roles have greater influence on the Company's performance. The Compensation Committee believes that these factors, together with a balance of cash and equity awards, and short-term and long-term incentives, help ensure that our compensation program does not create risks that are reasonably likely to have a material adverse effect on the Company.

## Compensation Consultant; Peer Group

To ensure that compensation levels are reasonably competitive with market rates, the Compensation Committee engages independent compensation consultants from time-to-time to conduct a survey of executive compensation in a defined group of companies comparable to the Company. The surveyed companies are selected based on similar products and product lines, comparable financial size in terms of assets and revenues, and other known competitive factors. Elements of this process were most recently completed during calendar years 2014, 2010, and 2008. The primary focus of the 2014 and 2010 surveys conducted by Frederic W. Cook & Company, Inc. was upon incentive compensation plan designs while the 2008 survey performed by Towers Perrin was upon base salaries and total compensation data for the various officer positions and levels in order to target current and future appropriate compensation levels. The Compensation Committee's past practice has been to generally target base salaries between the 25<sup>th</sup> and 75<sup>th</sup> percentile range of the identified peer group.

For the most recent survey, the Company engaged independent compensation consultants, Frederic W. Cook & Company, Inc., to analyze the Company's incentive compensation programs for officers relative to other public insurance companies considered comparable. Companies included as benchmarks for this analysis included American Equity Investment Life, Citizens Insurance Company, CNO Financial, Delphi Financial, FBL Financial Group, Kansas City Life Insurance, Lincoln National, Presidential Life, Protective Life, Stancorp Financial, and Torchmark, among others. The findings of this survey were incorporated into the Company's various incentive compensation programs for officers for calendar years 2013, 2014, and 2015.

In addition to market information, the Compensation Committee also subjectively reviews and evaluates the level of performance of the Company and of each officer. In approving salary and incentive compensation for individuals other than the Chief Executive Officer and the President and Chief Operating Officer, the Compensation Committee considers recommendations from these two individuals concerning the other Company officers incorporating such factors as individual performance, the scope and complexity of their current responsibilities, length of time in their current positions, value of the executive's position to the market, and difficulty of replacement of the officer. This

evaluation focuses most heavily on the base salary levels for each officer.

#### Annual Incentive Compensation

For executive officer positions, the Compensation Committee has determined that annual incentive bonuses are an integral part of the executive's compensation package as the cash bonuses create a direct link between executive compensation and individual and business performance. Consequently, there are four bonus programs in effect which are reviewed and approved annually by the Compensation Committee. The Compensation Committee has approved incentive bonus programs for 2015 incorporating the survey results mentioned previously. The 2014 Bonus Programs were as follows:

Executive Officer Bonus Program

Domestic Marketing Officer Bonus Program

## International Marketing Officer Bonus Program

### Officer Bonus Program

Executive Officer Bonus Program. The participants in the Executive Officer Bonus Program (“Executive Bonus”) are the Chairman and Chief Executive Officer (Mr. Robert L. Moody) and the President and Chief Operating Officer (Mr. Ross R. Moody). In order to tie the compensation under the program with the Company’s financial performance, the Executive Bonus includes metrics associated with the Company’s annual sales performance, expense management, and profitability. In accordance with the program, the Compensation Committee set performance targets for each metric at various levels equating to various bonus level percentages as follows:

Financial Performance Metric	Bonus % Range*
Sales	0% to 28.5%
Expense Management	0% to 27.5%
Profitability	0% to 38.0%

\*Max aggregate bonus is 75% of the participant’s base salary.

The sum of the achieved bonus percentages for each metric, subject to a maximum aggregate percentage of 75%, is applied to the base salary approved by the Compensation Committee for each participant to determine the earned bonus amount. The profitability metric is based upon the Company’s audited financial statements for the year. Bonus awards are generally paid in the year following the annual financial performance concurrent with the completion of the Company’s audit of the year-end financial statements and approval of the award amounts by the Compensation Committee. Accordingly, the Executive Bonus payments made in 2014 were based upon the results achieved for 2013 financial performance metrics established by the Compensation Committee and the Executive Bonus payments earned based on 2014 financial performance were paid in March 2014. The bonus percentage achieved under the program was 68.0% and 69.5% in 2014 and 2013 of the participant’s base salary, respectively. The 2014 bonus percentage achieved was comprised of 13.0% for Sales, 25.0% for Expense Management, and 30.0% for Profitability as shown in the following table.

Financial Performance Metric	Target Level	Achieved Level	Bonus %	
Annuity Sales	\$800.0 million	\$816.5 million	7.50	%
International Life Sales	\$23.5 million	\$17.4 million	0.00	%
Domestic Life Sales	\$25.8 million	\$25.2 million	5.50	%
Total Sales Metric			13.00	%
Expense Management	100% actual/target	98.1% actual/target	25.00	%
Profitability	0.90 - 1.05% ROA	0.956% ROA	30.00	%
Total Bonus Percentage			68.00	%

For information regarding awards made in 2014 to our Named Executive Officers, see the Summary Compensation Table on page 50.

Domestic Marketing Officer Bonus Program. Participants in the Domestic Marketing Officer Bonus Program (“Domestic Bonus”) are all domestic marketing officers including assistant vice presidents, vice presidents, and the senior vice president (Mr. S. Christopher Johnson). As these individuals are most able to influence the outcome of the Company’s financial performance in terms of sales, the program is heavily weighted toward this metric. The measures

associated with this program include the Company's annual sales performance, persistency of policies sold, and expense management. These measures were incorporated into the program to award not only the amount of sales but the quality of sales and the management of the costs incurred to acquire the business sold. Unlike the Executive Bonus, the Domestic Bonus metrics assume a targeted level of performance or "par" level to which the Compensation Committee assigned a targeted bonus percentage in order to reflect a disproportionate weighting of the potential bonus award toward the sales metric. If the targeted par level for each metric is attained, the sum of the metrics is equal to a bonus percentage of 100% which is applied to the average weighted base salary of each vice president and senior vice



president participant while one-half, or 50%, is applied to the average weighted base salary of each assistant vice president participant as approved by the Compensation Committee. The performance metrics set by the Compensation Committee equating to various bonus level percentages under the program are as follows:

Financial Performance Metric	Par Bonus Level	Bonus % Range
Sales	75%	0% to no limit
Persistency	15%	0% to 30%
Expense Management	10%	0% to 15.0%

The Domestic Bonus also differs from the Executive Bonus in that the composite bonus percentage is not subject to a cap and bonus amounts may be advanced quarterly based upon the year-to-date results achieved. Life insurance sales metric amounts under the program above the par level increase incrementally with an additional bonus percentage added for every increment of additional life insurance sales established by the Compensation Committee (annuity sales are subject to a cap). However, if the aggregate sum of the three performance metrics exceeds 100%, the bonus award paid at the end of the calendar year is limited to 100% for each participant. The bonus percentage above 100% is applied to the weighted average base salaries of all participants to create a pool which is paid out to participants in the subsequent calendar year based upon the recommendation of the Domestic Marketing senior vice president and subject to approval by the President and Chief Operating Officer. The Domestic Bonus percentage achieved under the program was 57.5% and 137.0% in 2014 and 2013, respectively. The 2014 bonus percentage achieved was comprised of 30.0% for Sales, 12.5% for Persistency, and 15.0% for Expense Management as shown in the following table.

Financial Performance Metric	Target Level	Achieved Level	Bonus %	
Annuity Sales	\$800.0 million	\$816.5 million	30.00	%
Domestic Life Sales	\$23.5 million	\$17.4 million	0.00	%
Total Sales Metric			30.00	%
Annuity Persistency	100.0%	101.1%	7.50	%
Domestic Life Persistency	100.0%	99.2%	5.00	%
Total Persistency Metric			12.50	%
Expense Management	100% actual/target	90.6% actual/target	15.00	%
Total Bonus Percentage			57.50	%

For information regarding awards made in 2014 to our Named Executive Officers, see the Summary Compensation Table on page 50.

International Marketing Officer Bonus Program. Participants in the International Marketing Officer Bonus Program (“International Bonus”) are all international marketing officers including assistant vice presidents, vice presidents, and the senior vice president. The International Bonus is identical in format to the Domestic Bonus with the exception that the metric targets established by the Compensation Committee are customized for the differences between the domestic and international lines of business. The performance metrics set by the Compensation Committee equating to various bonus level percentages under the program are as follows:

Financial Performance Metric	Par Bonus Level	Bonus % Range
Sales	75%	0% to no limit
Persistency	15%	0% to 30%
Expense Management	10%	0% to 15%

All other features are similarly administrated. The International Bonus percentage achieved under the program was 62.5% and 82.5% in 2014 and 2013, respectively. The 2014 bonus percentage achieved was comprised of 45.0% for Sales, 15.0% for Persistency, and 2.5% for Expense Management as shown in the following table.

Financial Performance Metric	Target Level	Achieved Level	Bonus %	
International Life Sales	\$25.8 million	\$25.2 million	45.00	%
Persistency	100.0%	101.4%	15.00	%
Expense Management	100% actual/target	105.7% actual/target	2.50	%
Total Bonus Percentage			62.50	%

Officer Bonus Program. Participants in the Officer Bonus Program (“Officer Bonus”) are all officers not otherwise included in any of the other three officer bonus programs and include the Named Executive Officer positions of Senior Vice President, Chief Financial Officer and Treasurer (Mr. Brian Pribyl), and Senior Vice President, Mortgage Loans and Real Estate (Mr. Charles Milos). The Officer Bonus is essentially comparable to the Executive Bonus, except for the bonus award percentages, incorporating three measurable performance metrics associated with the Company’s annual sales performance, expense management, and profitability. Bonus award percentages for vice presidents in the Plan are one-half of the percentages for senior vice presidents while bonus award percentages for assistant vice presidents are one-quarter of the senior vice president bonus percentages. In accordance with the program, the Compensation Committee set performance targets for each metric at various levels equating to various bonus level percentages as follows (senior vice president percentages shown):

Financial Performance Metric	Bonus % Range
Sales	0% to 9.0%
Expense Management	0% to 10.0%
Profitability	0% to 21.0%

The sum of the achieved bonus percentages for each metric, subject to a maximum aggregate percentage of 30%, 15% and 7.5% for senior vice presidents, vice presidents, and assistant vice presidents, respectively, is applied to the base salary for each participant approved by the Compensation Committee to determine the earned bonus amount. Like the Executive Bonus, the profitability metric is based upon the Company’s audited financial statements for the year. Bonus awards are generally paid in the year following the annual financial performance concurrent with the completion of the Company’s audit of the year-end financial statements and approval of the award amounts by the Compensation Committee. Accordingly, the Senior Vice President Bonus payments in 2014 were primarily based upon the results achieved for 2013 financial performance metrics established by the Compensation Committee. The bonus percentage for senior vice presidents achieved under the program was 28.25% and 26.00% in 2014 and 2013, respectively. The 2014 senior vice president bonus percentage achieved is comprised of 4.50% for Sales, 8.75% for Expense Management, and 15.00% for Profitability as shown in the following table.

Financial Performance Metric	Target Level	Achieved Level	Bonus %	
Annuity Sales	\$800.0 million	\$816.5 million	2.50	%
International Life Sales	\$25.8 million	\$25.2 million	2.00	%
Domestic Life Sales	\$23.5 million	\$17.4 million	0.00	%
Total Sales Metric			4.50	%
Expense Management	100% actual/target	98.1% actual/target	8.75	%
Profitability	0.95 - 1.05% ROA	0.956% ROA	15.00	%
Total Bonus Percentage			28.25	%

For information regarding awards made in 2014 to our Named Executive Officers, see the Summary Compensation Table on page 50.

#### Discretionary Bonus Awards

The Compensation Committee considers from time-to-time circumstances which merit the need to recognize outstanding performance in the form of a discretionary bonus. Although many of these situations may be deemed within the normal responsibilities of officers, the Compensation Committee on occasion may provide one-time recognition bonuses to identified officers where the demands of the situation and the results of the effort warrant such recognition. There were no discretionary bonuses awarded in 2014.

#### Long-Term Incentive Compensation

Under the Company's 1995 Stock and Incentive Plan and 2008 Incentive Plan, the Compensation Committee provides Company officers with long-term incentive awards through grants of stock options or stock appreciation rights ("SARs") directly aligning the interest of the officers with shareholder interests. The stock options and SARs have a graded five-year vesting period that begins on the third anniversary date of the grant in order to promote a long-term perspective and to encourage key employees to remain at the Company. All options and SARs to date have been granted at the fair market value of the Company's Class A Stock on the date of the grant. The Compensation Committee believes that stock options and SARs are inherently performance-based and a form of at-risk compensation since the recipient does not benefit unless the Company's common stock price subsequently rises.

The Compensation Committee is responsible for determining the recipients of the grants, when the grants should be made, and the number of shares to be granted. The size of the awards generally reflect each officer's position relative to other officers in the Company with consideration to total compensation targets obtained from the peer group information previously discussed. In addition, as is the case with base salaries, the Compensation Committee considers the grant recommendations of the Chairman and Chief Executive Officer and the President and Chief Operating Officer for other Company officers.

The Compensation Committee may consider granting stock options at any time but generally coordinates the issuance of grants concurrent with its annual review of officer compensation. There were no stock options or SARs granted during 2014.

The general practice of the Compensation Committee has been to make grant awards every two to four years. Prior to 2014, the last grant awards were made in December of 2013 and the four previous grant awards were made in April 2004, April 2008, February 2009, and December 2011.

The Compensation Committee has followed a practice of allocating grant awards based upon the level of the officer receiving the award with each officer level receiving an identified proportionate share. Historically, the Chairman of the Board and Chief Executive Officer has been allotted 25% to 35% of the total grant award and the President and Chief Operating Officer 15% to 25% of the total grant. Officers at the senior vice president level receive the same number of grant awards while officers at the vice president and assistant vice president levels receive the same number of grant awards, respectively, although at a lesser amount than that of the senior vice presidents.

#### Retirement and Other Benefits

The Company's executive officers are eligible to participate in the health and welfare, 401(k), and defined benefit retirement benefit plans that are offered to other Company employees (the Company's qualified defined benefit pension plan was frozen as of December 31, 2007). In addition, if eligible, executive officers may participate in the following plans:

#### Group Excess Benefit Plan

Company officers at the senior vice president level and above, including named executive officers, as well as those hired or promoted to the vice president level prior to May 1, 2007, are eligible to participate in a group excess benefit plan which supplements the Company's core medical insurance plan. Administered by an affiliated third party insurer, the group excess benefit plan provides coverage for co-pays, deductibles, and other out-of-pocket expenses not covered by the core medical insurance plan. Offering such a plan to the selected Company officer levels is viewed as a key component of the overall compensation strategy for attracting and retaining talented executive officers. The benefits provided to each named executive officer are reported in the "All Other Compensation Column" of the Summary Compensation Table.

#### Non-Qualified Defined Benefit Plan

This plan covers those officers of the Company who were in a senior vice president position or above prior to 1991. The plan provides retirement benefits to those individuals affected by the revisions to the Company's qualified defined benefit pension plan

precipitated by the limitations imposed by Internal Revenue Code Section 401(a)(17) and 415. As of December 31, 2014 and 2013, the active officers participating in this plan were Mr. Robert L. Moody and Mr. Charles Milos. Benefits associated with this plan are disclosed in the Pension Benefits table in the Pension Benefits section.

#### Non-Qualified Deferred Compensation Plan

This plan allows Company senior officers, including named executive officers, to defer payment of a percentage of their compensation and to provide for up to a 2% matching and 2% profit sharing contribution on plan compensation that exceeds certain qualified plan limits, and additional Company discretionary matching contribution of up to 2% of plan compensation. Company contributions are subject to a vesting schedule based upon each officer's years of service. Benefit information associated with this plan is disclosed in the Non-Qualified Deferred Compensation table below and Company contributions are included in the "All Other Compensation" column in the Summary Compensation Table. Robert L. Moody does not participate in this plan.

#### Non-Qualified Defined Benefit Plan for Robert L. Moody

This plan specifically covers the Company's Chairman of the Board and Chief Executive Officer, Mr. Robert L. Moody, and is intended to supplement the retirement benefits of the Non-Qualified Defined Benefit Plan, mentioned above, that were limited by the American Jobs Creation Act of 2004. Mr. Moody's benefits associated with this plan are disclosed in the Pension Benefits table in the Pension Benefits section.

#### Non-Qualified Defined Benefit Plan for the President of National Western Life Insurance Company

Similar to the immediately preceding plan, this plan specifically covers the Company's President and Chief Operating Officer, Mr. Ross R. Moody, and is intended to provide retirement benefits that comply with the American Jobs Creation Act of 2004. Mr. Moody's benefits associated with this plan are disclosed in the Pension Benefits table in the Pension Benefits section.

#### National Western Life Insurance Company Retirement Bonus Program for Robert L. Moody

This program provides an annual payment to Mr. Robert L. Moody equal to 2% of his compensation and is not correlated in any manner to individual or Company performance. For reporting and disclosure purposes, the payment made in 2014 related to 2013 compensation is included in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation table. The payment earned in 2014 was paid in 2015.

#### Postretirement Benefits

The Company's basic health plan and group excess benefit plan have a provision for individuals serving in the positions of Chairman of the Board or President for seven years or more subsequent to 1980 to continue to receive lifetime health benefits for themselves and their dependents upon retirement. Mr. Robert L. Moody and Mr. Ross R. Moody currently meet this eligibility criteria.

#### Perquisites and Other Personal Benefits

The Compensation Committee periodically reviews executive officer perquisites and other benefits based upon information supplied to it by the Company's Human Resources, Legal, and Financial departments. In addition to base salaries and annual and long-term bonus incentives, the Company provides its executive officers with certain and varying perquisites and benefits.

The perquisites and personal benefits provided to each named executive officer are reported in the “All Other Compensation Column” of the Summary Compensation Table included in this Compensation Discussion and Analysis and are described in further detail in the footnotes to that table.

#### Stock Ownership Guidelines

The Company requires that its directors be shareholders, but the Company does not require its directors or executive officers to own a particular amount of the Company’s common stock and accordingly has not established a set of stock ownership guidelines. The Compensation Committee is satisfied that the long-term incentive compensation offered to directors and officers in the form of stock options and SARs adequately aligns this group’s interest with those of the Company’s shareholders.



## Employment Agreements

The Company does not utilize employment agreements with its executive officers or other employees. The Company's practice has been to issue offer letters to executive officer candidates when recruited to their positions. In addition to outlining the executive officer's responsibilities, each offer letter specifies the beginning base salary and eligibility for any additional compensation programs overseen by the Compensation Committee. Accordingly, the Company does not have any contractual obligations to its executive officers for severance payments in connection with any termination or change-in-control.

## Financial Restatements

The Compensation Committee has not formally adopted a policy with respect to whether retroactive adjustments to any form of compensation paid under arrangements for executive officers will be made where the prior payment was related to financial results of the Company that are subsequently restated. As this situation has not previously been experienced, the Compensation Committee believes that such an issue is best addressed at the time it occurs and all facts and circumstances surrounding the restatement are known.

## Tax and Accounting Treatment of Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for non-performance based compensation over \$1 million paid in any one year to each of the individuals who were, at the end of the year, the corporation's chief executive officer and the four other most highly compensated executive officers. Except for the Chairman and Chief Executive Officer of the Company, the levels of non-performance based salary, bonus, and other compensation paid do not typically exceed this level.

The Compensation Committee reserves the right to award compensation to executive officers that may not qualify under Section 162(m) as deductible compensation, however, it will continue to consider all elements of cost to the Company of providing such compensation, including the potential impact, if any, of Section 162(m).

The Company accounts for long-term incentive compensation in the form of stock options and SARs to executive officers under GAAP guidance which requires the Company to estimate and expense each award of equity compensation over the service period of the award. Other accounting guidance requires that cash compensation be recorded as an expense at the time the obligation is accrued.

## Equity Compensation Plan Information at December 31, 2014

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by security holders	29,768	242.48	291,000
Equity compensation plans not approved by security	—	—	—

holders  
Total

29,768

242.48

291,000

48

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## Compensation Committee Report

The Compensation Committee has reviewed each element of executive officer compensation and believes that the compensation philosophy and practices are designed to serve the best interests of the Company and its shareholders. The Compensation Committee also believes that the compensation of the Company's executive officers is both appropriate and consistent with the objectives set by this committee.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis set forth with the Company's management. Based on its reviews and discussions, the Compensation Committee approved and recommended to the Company's Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement on Schedule 14A.

Submitted by the Compensation Committee of the Board of Directors

E. J. Pederson, Chairman

Stephen E. Glasgow

Louis E. Pauls, Jr.

This Compensation Committee Report shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act or under the Exchange Act, except to the extent that NWLIC specifically incorporates this information by reference, and shall not otherwise be deemed filed under such acts.

## Summary Compensation Table

The following table sets forth all of the compensation awarded to, earned by, or paid to the Company's Named Executive Officers for the years ended December 31, 2014, 2013, and 2012.

Name and Principal Position	Year	Salary (a)	Option/SAR Awards (b)	Non-Equity Incentive Plan Compensation		Change in Pension Value and Nonqualified Deferred Compensation Earnings (e)	All Other Compensation (f)	Total
Robert L. Moody Chairman of the Board and Chief Executive Officer	2014	\$1,900,030	\$0	\$1,297,947	(c)	\$(135,103)	\$977,865	\$4,040,739
	2013	1,847,522	739,484	1,294,314		(1,855,788 )	966,253	2,991,785
	2012	1,803,821	—	1,165,282		(394,469 )	853,302	3,427,936
Ross R. Moody President and Chief Operating Officer	2014	853,592	—	553,719	(c)	624,228	80,683	2,112,222
	2013	811,966	520,536	538,984		(136,888 )	78,709	1,813,307
	2012	788,367	—	484,192		243,910	80,393	1,596,862
Brian M. Pribyl Senior Vice President, Chief Financial Officer and Treasurer	2014	295,673	—	83,528	(d)	34,074	46,770	460,045
	2013	291,649	82,639	74,854		(18,689 )	32,988	463,441
	2012	280,843	—	67,399		23,298	63,251	434,791
Charles D. Milos Senior Vice President, Mortgage Loans and Real Estate	2014	249,022	—	70,349	(d)	183,210	45,451	548,032
	2013	277,649	170,218	63,167		(22,465 )	43,948	532,517
	2012	268,823	—	56,886		120,146	40,211	486,066
S. Christopher Johnson	2014	171,657	—	167,904	(d)	—	32,529	372,090
	2013	167,471	82,639	265,441		—	21,093	536,644

Senior Vice President, Chief Marketing Officer	2012	167,471	—	273,372	—	22,568	463,411
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Note: Columns with no data have been omitted.

(a) The 2014 amounts in this column include Company and subsidiary Board of Director fees of \$31,200 for Mr. Robert L. Moody, \$3,750 for Mr. Pribyl, \$36,450 for Mr. Ross R. Moody, and \$34,700 for Mr. Milos.

Grant date fair value computed in accordance with FASB ASC Topic 718. A discussion of the assumptions (b) underlying the calculations can be found in Note 10 to our Consolidated Financial Statements in our Form 10-K for the fiscal year ended December 31, 2014.

The amounts for Mr. Robert L. Moody and Mr. Ross R. Moody represent bonuses earned under the 2014 Executive (c) Officer Bonus Program. Also included in Mr. Robert L. Moody's amount is \$31,970 representing the bonus earned under the NWLIC Retirement Bonus Program.

(d) The amount for Mr. Pribyl and Mr. Milos represents the bonus earned under the 2014 Officer Bonus Program. The amount for Mr. Johnson represents the bonus earned under the 2014 Domestic Marketing Officer Bonus Program. The amounts in this column represent the change in the accumulated pension benefit under the Company's qualified defined benefit plan for Mr. Pribyl and the change in the accumulated pension benefit under the Company's (e) qualified and non-qualified defined benefit plans for Messrs. Robert L. Moody, Ross R. Moody, and Charles D. Milos. For a discussion of the assumptions made in the calculation of these amounts, refer to the Notes to Consolidated Financial Statements section of the Annual Report on Form 10-K.

(f) The amounts in this column include the items summarized in the following table:

#### All Other Compensation

Name and Principal Position	Year	Company Paid Benefit Premiums (1)	Excess Benefit Claims Paid (2)	Company Contributions To Savings Plans (3)	Company Paid Taxes/ Insurance	Other Perquisites	Total All Other Compensation
Robert L. Moody Chairman of the Board and Chief Executive Officer	2014	\$6,294	\$53,096	\$—	\$880,043 (4)	\$38,431 (5)	\$977,864
	2013	5,995	46,660	—	871,084	42,514	966,253
	2012	5,578	21,536	—	799,190	26,998	853,302
Ross R. Moody President and Chief Operating Officer	2014	5,771	4,393	59,034	—	11,485 (6)	80,683
	2013	5,506	15,832	45,886	—	11,485	78,709
	2012	5,183	26,505	45,113	—	3,592	80,393
Brian M. Pribyl Senior Vice President, Chief Financial Officer and Treasurer	2014	11,852	14,392	19,826	—	700 (7)	46,770
	2013	11,304	5,725	15,259	—	700	32,988
	2012	10,613	39,383	12,555	—	700	63,251
Charles D. Milos Senior Vice President,	2014	11,852	11,625	18,586	—	3,388 (8)	45,451
	2013	11,304	13,453	14,243	—	4,948	43,948

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Mortgage Loans and Real Estate	2012	10,613	15,680	11,303	—	2,615	40,211
S. Christopher Johnson	2014	11,852	5,883	14,094	—	700	(9) 32,529
Senior Vice President, Chief	2013	9,961	1,493	8,939	—	700	21,093
Marketing Officer Marketing	2012	10,613	3,584	7,671	—	700	22,568

(1) The Company provides its officers additional compensation equivalent to the premiums for health, dental, and accidental death and dismemberment coverage offered to all employees.

- (2) The amounts in this column represent claims paid under the Company's Group Excess Benefit Program.
- (3) The amounts in this column represent Company contributions to the Company's qualified and non-qualified savings plans. The Company's 401(k) plan is available to all employees with the same contribution criteria.  
Mr. Robert L. Moody contributed a life interest in a trust estate to the Company as a capital contribution in 1964. The Company, in turn, issued term policies on the life of Mr. Moody in excess of the amount of the asset
- (4) contributed which excess was assigned to Mr. Moody. The value of the excess amount of insurance was \$510,865 in 2014 and represents additional compensation to Mr. Moody. In addition, the Company reimburses Mr. Moody the applicable taxes associated with this benefit which was \$369,178 in 2014.
- (5) Mr. Robert L. Moody's amounts in this column include \$37,031 for Office of the Chairman expenses and \$1,400 in gifts.
- (6) Mr. Ross R. Moody's amounts in this column include \$9,448 for car expense, \$637 in membership dues, and \$1,400 in officer and director gifts.
- (7) Mr. Pribyl's amounts in this column include \$700 in officer gifts.
- (8) Mr. Milos's amounts in this column include \$1,988 for car expense and \$1,400 in officer and director gifts.
- (9) Mr. Johnson's amounts in this column include \$700 in officer gifts.

#### Grants of Plan-Based Awards

The following table provides information regarding grants under the Company's 2014 Executive Officer Bonus Program, Officer Bonus Program, and Domestic Marketing Officer Bonus Program for the executive officers named in the Summary Compensation Table.

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)		
	Threshold (\$)	Target (\$)	Maximum (b) (\$)
<b>Robert L. Moody</b>			
2014 Executive Officer Bonus Program:			
International life sales	102,395	139,630	176,864
Domestic life sales	102,395	139,630	176,864
Annuities sales	102,395	139,630	176,864
Expense management	279,259	418,889	511,976
Company profitability	409,581	558,519	707,457
<b>Ross R. Moody</b>			
2014 Executive Officer Bonus Program:			
International life sales	44,786	61,072	77,358
Domestic life sales	44,786	61,072	77,358
Annuities sales	44,786	61,072	77,358
Expense management	122,144	183,216	223,930
Company profitability	179,144	244,288	309,431
<b>Brian M. Pribyl</b>			
2014 Officer Bonus Program:			
International life sales	5,913	7,392	8,870
Domestic life sales	5,913	7,392	8,870
Annuities sales	5,913	7,392	8,870



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Expense management	11,088	22,175	29,567
Company profitability	26,611	44,351	62,091

Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)		
	Threshold (\$)	Target (\$)	Maximum (b) (\$)
Charles D. Milos			
2014 Officer Bonus Program:			
International life sales	4,980	6,226	7,471
Domestic life sales	4,980	6,226	7,471
Annuities sales	4,980	6,226	7,471
Expense management	9,338	18,677	24,902
Company profitability	22,412	37,353	52,295
S. Christopher Johnson			
2014 Domestic Marketing Officer Bonus Program:			
Domestic life sales	21,457	77,246	No limit
Annuity sales	34,332	51,497	77,246
Domestic life persistency	8,583	12,874	25,749
Annuity persistency	7,725	12,874	25,749
Expense management	4,291	17,166	25,749

Note: Columns with no data have been omitted.

Amounts that have been or are expected to be paid in 2015 pertaining to the 2014 programs are reflected in the (a) Summary Compensation Table. The 2014 program bonus amounts are based upon the base salary reflected in the applicable program addendums.

(b) Although the Executive Officer and Officer Bonus Programs have stated maximums per program component, the aggregate bonus amount cannot exceed 75% and 30%, respectively, of base salaries.

## Outstanding Equity Awards at December 31, 2014

The following table provides information regarding outstanding stock options and SARs held by the executive officers named in the Summary Compensation Table as of December 31, 2014.

Name	Option/SAR Awards		Option/SAR Exercise Price (\$)	Option/SAR Expiration Date
	Number of Securities Underlying Options/SARs Exercisable (#)	Number of Securities Underlying Unexercised Options/SARs Unexercisable (#)		
Robert L. Moody Grants:				
04/18/2008	6,000	1,500	255.13	04/18/2018
06/20/2008 (director)	1,000	*	208.05	06/20/2018
02/19/2009 (director)	1,000	*	114.64	02/19/2019
02/19/2009	4,500	3,000	114.64	02/19/2019
12/14/2011	1,500	6,000	132.56	12/14/2021
12/14/2011 (director)	600	400	132.56	12/14/2021
12/11/2013	—	7,500	210.22	12/11/2023
12/11/2013 (director)	200	800	210.22	12/11/2023
Ross R. Moody Grants:				
04/18/2008	4,415	1,103	255.13	04/18/2018
06/20/2008 (director)	1,000	*	208.05	06/20/2018
02/19/2009 (director)	1,000	*	114.64	02/19/2019
02/19/2009	3,312	2,206	114.64	02/19/2019
12/14/2011	1,104	4,414	132.56	12/14/2021
12/14/2011 (director)	600	400	132.56	12/14/2021
12/11/2013	—	5,000	210.22	12/11/2023
12/11/2013 (director)	200	800	210.22	12/11/2023
Brian M. Pribyl Grants:				
04/18/2008	800	200	255.13	04/18/2018
02/19/2009	600	400	114.64	02/19/2019
12/14/2011	200	800	132.56	12/14/2021
12/11/2013	—	1,000	210.22	12/11/2023
Charles D. Milos Grants:				
04/18/2008	800	200	255.13	04/18/2018
06/20/2008 (director)	1,000	*	208.05	06/20/2018
02/19/2009 (director)	1,000	*	114.64	02/19/2019
02/19/2009	600	400	114.64	02/19/2019
12/14/2011	200	800	132.56	12/14/2021
12/14/2011 (director)	600	400	132.56	12/14/2021
12/11/2013	—	1,000	210.22	12/11/2023
12/11/2013 (director)	200	800	210.22	12/11/2023



Name	Option/SAR Awards		Option/SAR Exercise Price (\$)	Option/SAR Expiration Date
	Number of Securities Underlying Options/SARs (#) Exercisable	Number of Securities Underlying Unexercised Options/SARs (#) Unexercisable		
S. Christopher Johnson Grants:				
04/18/2008	800	200	255.13	04/18/2018
02/19/2009	600	400	114.64	02/19/2019
12/14/2011	200	800	132.56	12/14/2021
12/11/2013	—	1,000	210.22	12/11/2023

Note: Columns with no data have been omitted.

(\*) - Fully vested.

Officer stock options and SARs vest 20% annually following three full years of service to the Company from the date of grant. Stock options and SARs granted to members of the Board of Directors vest 20% annually following one full year of service to the Company from the date of grant. Accordingly, the unexercisable options and SARs shown in the previous table are scheduled to vest during the following years:

	2015	2016	2017	2018	2019 to 2022	Total Unexercisable
Robert L. Moody						
Grants:						
04/18/2008	1,500	—	—	—	—	1,500
02/19/2009	1,500	1,500	—	—	—	3,000
12/14/2011	1,500	1,500	1,500	1,500	—	6,000
12/14/2011 (director)	200	200	—	—	—	400
12/11/2013	—	1,500	1,500	1,500	3,000	7,500
12/11/2013 (director)	200	200	200	200	—	800
Ross R. Moody						
Grants:						
04/18/2008	1,103	—	—	—	—	1,103
02/19/2009	1,103	1,103	—	—	—	2,206
12/14/2011	1,104	1,104	1,103	1,103	—	4,414
12/14/2011 (director)	200	200	—	—	—	400
12/11/2013	—	1,000	1,000	1,000	2,000	5,000
12/11/2013 (director)	200	200	200	200	—	800
Brian M. Pribyl						

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Grants:

04/18/2008	200	—	—	—	—	200
02/19/2009	200	200	—	—	—	400
12/14/2011	200	200	200	200	—	800
12/11/2013	—	200	-200	200	400	1,000

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	2015	2016	2017	2018	2019 to 2022	Total Unexercisable
Charles D. Milos						
Grants:						
04/18/2008	200	—	—	—	—	200
02/19/2009	200	200	—	—	—	400
12/14/2011	200	200	200	200	—	800
12/14/2011 (director)	200	200	—	—	—	400
12/11/2013	—	200	200	200	400	1,000
12/11/2013 (director)	200	200	200	200	—	800
S. Christopher Johnson						
Grants:						
04/18/2008	200	—	—	—	—	200
02/19/2009	200	200	—	—	—	400
12/14/2011	200	200	200	200	—	800
12/11/2013	—	200	200	200	400	1,000

#### Option Exercises and Stock Vested

The following table sets forth information regarding stock option and SAR exercises by the executive officers named in the Summary Compensation Table for the year ended December 31, 2014. The Company does not have stock award plans with stock awards subject to vesting.

Name	Option Awards Number of Shares Exercised (#)	Value Realized On Exercise (\$)
Robert L. Moody	—	—
Ross R. Moody	—	—
Brian M. Pribyl	600	79,956
Charles D. Milos	3,000	301,200
S. Christopher Johnson	—	—

Note: Columns with no data have been omitted.





## Pension Benefits

The following table provides information regarding benefits under the Company's Pension Plan, Non-Qualified Defined Benefit Plan, Non-qualified Defined Benefit Plan for Robert L. Moody, and Non-Qualified Defined Benefit Plan for the President of National Western Life Insurance Company (NWLIC).

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Robert L. Moody	NWLIC Pension Plan	44	1,108,789	153,509
	NWLIC Grandfathered Non-Qualified Defined Benefit Plan	45	5,151,817	713,258
	NWLIC Non-Qualified Defined Benefit Plan for Robert L. Moody	45	12,390,434	1,715,423
Ross R. Moody	NWLIC Pension Plan	17	389,737	—
	Non-Qualified Defined Benefit Plan for the President of NWLIC	24	1,313,399	—
Brian M. Pribyl	NWLIC Pension Plan	7	188,667	—
Charles D. Milos	NWLIC Pension Plan	25	561,636	49,152
	NWLIC Grandfathered Non-Qualified	28	511,040	