

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported) April 19, 2007

NATIONAL WESTERN LIFE INSURANCE COMPANY  
(Exact Name of Registrant as Specified in Its Charter)

COLORADO  
(State or Other Jurisdiction of Incorporation)

84-0467208  
(I.R.S. Employer Identification Number)

2-17039  
(Commission File Number)

850 EAST ANDERSON LANE, AUSTIN, TEXAS  
(Address of Principal Executive Offices)

78752-1602  
(Zip code)

(512) 836-1010  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

On April 19, 2007, the Compensation and Stock Option Committee of National Western Life Insurance Company ("Company") approved the 2007 Officer Bonus Programs ("Bonus Programs"). These Bonus Programs are designed to provide additional compensation based on the Company achieving certain performance and profit criteria so that executives are held accountable through their compensation for the performance of the business. Participants in the Bonus Programs are the following individuals:

National Western Life Insurance Company 2007 Executive Officer Bonus Program

*Chairman of the Board and Chief Executive Officer, Robert L. Moody*

*President and Chief Operating Officer, Ross R. Moody*

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

National Western Life Insurance Company 2007 Domestic Marketing Officer Bonus Program

*Senior Vice President, Chief Domestic Marketing Officer, S. Christopher Johnson*

*Vice President, Paul T. Garofoli*

*Vice President, C. Scott Blundo*

*Assistant Vice President, Lura L. Rogers*

National Western Life Insurance Company 2007 International Marketing Officer Bonus Program

*Senior Vice President, Chief International Marketing Officer, Scott E. Arendale*

*Vice President, Miguel A. Laborde*

The Bonus Programs are in effect for the year ending December 31, 2007. Any amounts earned under the Executive Officer Bonus Program will be paid in 2008. Amounts earned under the Domestic Marketing Officer Bonus Program and International Marketing Officer Bonus Program may be paid as frequently as quarterly.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10(bn)	National Western Life Insurance Company 2007 Executive Officer Bonus Program
10(bo)	National Western Life Insurance Company 2007 Domestic Marketing Officer Bonus Program
10(bp)	National Western Life Insurance Company 2007 International Marketing Officer Bonus Program

---

**SIGNATURE**

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

NATIONAL WESTERN LIFE INSURANCE  
COMPANY

Date: April 25, 2007

By: /S/Brian M. Pribyl

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

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
10(bn)	National Western Life Insurance Company 2007 Executive Officer Bonus Program
10(bo)	National Western Life Insurance Company 2007 Domestic Marketing Officer Bonus Program
10(bp)	National Western Life Insurance Company 2007 International Marketing Officer Bonus Program

EXHIBIT 10(bn)

National Western Life Insurance Company  
2007 EXECUTIVE OFFICER BONUS PROGRAM

The Bonus Program ("Program") is designed to reward selected executive officers for their performance in assisting the Company in achieving pre-determined sales targets while managing to profit criteria. The Plan incorporates three measurable performance factors: (1) sales, which are defined as net placed annualized target premium for Life business and as total placed premium for Annuity business, (2) expense management, and (3) overall Company profitability.

Each of the above performance factors will have an assigned target level for purposes of the Program. Assuming a "par" performance (i.e. achieving each target level), the weighting of the bonus (applied to base salary) is 10% for sales performance, 10% for expense management performance, and 10% for profitability, or an overall par percentage of 30%. Actual results compared to the targets can either increase or decrease each of these individual percentages as explained in the following sections. However, the total bonus percentage cannot exceed 30%.

**Sales Component:**

The sales component of the Program is further subdivided between Life production and Annuity production. For 2007, the bonus sales goals are:

- International Life -- \$29,500,000 net placed annualized target premium
- Domestic Life -- \$8,400,000 net placed annualized target premium
- Annuities -- \$480,000,000 net placed total premium

The New Business Market Summary Report (NWAR60) will be the source of sales results for purposes of this Program. Based upon these sales goals, the bonus percentage corresponding with each sales production levels achieved in 2007 will be applied to 100% of the executive officer's base salary in accordance with the following grid:

Intl Life Placed Target	Bonus %	Domestic Life Placed Target	Bonus %	Annuities Placed Premium	Bonus %
\$26,700,000	2.00%	\$6,800,000	2.00%	\$360,000,000	2.00%
\$28,100,000	2.50%	\$7,600,000	2.50%	\$420,000,000	2.50%
<b>\$29,500,000</b>	<b>3.34%</b>	<b>\$8,400,000</b>	<b>3.33%</b>	<b>\$480,000,000</b>	<b>3.33%</b>
\$30,900,000	4.00%	\$9,200,000	4.00%	\$540,000,000	4.00%
\$32,300,000	5.00%	\$10,000,000	5.00%	\$600,000,000	5.00%

The level shaded in gray represents the Company's sales goals for each segment for purposes of the bonus program and represents the par performance level. If the actual results attain this level, the executive officer would be eligible to receive a bonus of 10% (3.33% for each line of business) of base salary.

---

**Expense Management Component:**

The expense component of the program is based upon a ratio of actual expenses to a sales unit of production. For purposes of this ratio, the sales unit of production will be based upon target premium. Annuity sales target premium will be assumed to be equal to 7.5% of total placed annuity premium.

Assuming “par” sales goals of \$29.5 million in International Life sales, \$8.4 million in Domestic Life sales, and \$480 million in total annuity sales, the par sales production for purposes of the expense management component is \$73.9 million. The submitted expense budget based upon these sales goals is approximately \$44 million. Accordingly, the par ratio of expenses to sales production is roughly 59%. Based upon this relationship, the bonus percentage corresponding with the actual expense ratio achieved in 2007 will be applied to 100% of each executive officer’s base salary in accordance with the following grid:

<b>Expense/Sales Ratio</b>	<b>Bonus %</b>
65%	6.00%
62%	8.00%
<b>59%</b>	<b>10.00%</b>
56%	11.00%
53%	12.00%

For purposes of the expense component, marketing and executive officer bonuses will be excluded. In addition, special consideration may be given at the discretion of the Compensation and Stock Option Committee of the Board of Directors (“Compensation Committee”) for items of an unusual and/or non-recurring nature (i.e. excess pension contributions) that are beyond the control of Company management.

**Company Profitability Component:**

The profitability component of the program is based upon GAAP operating earnings as a percentage of beginning stockholders’ equity. GAAP operating earnings are net of federal income taxes and exclude realized gains and losses on investments. The amounts used for purposes of the bonus calculation will be the figures audited by the Company’s independent auditors.

The bonus percentage corresponding with the actual GAAP operating earnings achieved in 2007 relative to beginning of the year stockholders’ equity will be applied to 100% of each executive officer’s base salary in accordance with the following grid:

<b>GAAP Profitability</b>	<b>Bonus %</b>
7.5% of Stockholders’ Equity	6.00%
8.5% of Stockholders’ Equity	8.00%
<b>9.5% of Stockholders’ Equity</b>	<b>10.00%</b>
10.5% of Stockholders’ Equity	11.00%
11.5% of Stockholders’ Equity	12.00%

---

**Example:**

Assume the following actual results for 2007:

➤ International Life placed target premium sales	\$ 30,000,000
➤ Domestic Life placed target premium sales	\$ 9,500,000
➤ Annuity placed total premium sales	\$450,000,000
➤ Actual budget center expenses	\$ 43,500,000
➤ GAAP operating earnings	\$ 80,000,000
➤ Beginning GAAP stockholders' equity	\$933,000,000

Based upon the above charts, the executive officer's 2007 bonus would be calculated as follows:

**Sales Component**

International Life sales bonus %	3.34%
Domestic Life sales bonus %	4.00%
Annuity sales bonus %	2.50%
Total sales bonus %	<u>9.83%</u>

**Expense Management Component**

Actual budget center expenses \$ 43,500,000

Sale Production Amount:

International Life target premium	\$ 30,000,000
Domestic Life target premium	9,500,000
Annuity target (\$450m @ 7.5%)	33,750,000
	<u>\$ 73,250,000</u>

Ratio of Actual/Sales Production 59.4%

Expense management bonus % 8.0%

**Company Profitability Component**

GAAP operating earnings \$ 80,000,000

Beginning stockholders' equity \$ 933,000,000

Ratio of earnings/equity 8.57%

Company profitability bonus 8.00%

**Total Bonus %**

Sales component	9.83%
Expense management component	8.00%
Company profitability component	8.00%
	<u>25.83%</u>

---

**Administration:**

Bonus amounts under the program will be earned and paid at the end of the Company's calendar year upon the availability of audited GAAP financial statements. The Company's independent auditors will also review the calculation of the bonus % for compliance with the details of this Program as part of the Company's audited financial statements.

If employment with the Company is terminated for any reason other than "termination for cause" by NWL, the bonus amount paid at termination will be based upon the pro rated percentage of the calendar year that services were rendered to the Company. In the event of death, the bonus amount will be paid to the individual's spouse, and if the individual's spouse is also not living at that time, then to the individual's children.

Participants in the Program are designated by the Compensation Committee. The Program, its terms, and its administration are at the complete discretion of the Compensation Committee and may be changed or revoked at any time without the consent of the participants. This includes, among other things, amendment of the terms, targets, and other features of the Program as the Compensation Committee sees fit. Accordingly, this Program does not constitute a legal and binding obligation of the Company to perform.

April 19, 2007

EXHIBIT 10(b)

National Western Life Insurance Company  
2007 DOMESTIC MARKETING OFFICER BONUS PROGRAM

The Bonus Program (“Program”) is designed to reward Domestic Marketing officers for their performance in achieving pre-determined sales targets while assisting the Company in managing to its profit criteria. The Plan incorporates three measurable performance factors: (1) sales, which are defined as net placed annualized target premium for Life business and as total placed premium for Annuity business, (2) persistency, and (3) expense management. The bonus percentages included in this document pertain to Domestic Marketing officers at the vice president level and higher. The bonus percentages for assistant vice presidents are determined using one-half of the percentages shown for vice presidents and above.

Each of the three performance factors will have an assigned target level for purposes of the Program. Assuming a “par” performance (i.e. achieving each target level), the weighting of the bonus (applied to base salary) is 70% for sales performance, 15% for persistency performance, and 15% for expense management performance. Actual results compared to the targets can either increase or decrease these percentages as explained in each of the following sections.

**Sales Component (70%):**

The sales component of the Program is further subdivided between Life production and Annuity production. For 2007, the Domestic sales goals are:

- Life -- \$10,500,000 net placed annualized target premium (14% of MaxWealth total premium assumed to be target for purposes of the Program)
- Annuities -- \$600,000,000 net placed total premium

The New Business Market Summary Report (NWAR60) will be the source of sales results for purposes of this Program. Based upon these sales goals, the bonus percentage corresponding with the Life and Annuity sales production levels achieved in 2007 will be applied to 100% of each Domestic Marketing officer’s base salary in accordance with the following grid:

Life Placed Target Premium	Bonus %	Annuity Placed Total Premium	Bonus %
\$8,000,000	15.0%	\$350,000,000	5.0%
\$8,500,000	20.0%	\$400,000,000	10.0%
\$9,000,000	25.0%	\$450,000,000	15.0%
\$9,500,000	30.0%	\$500,000,000	20.0%
\$10,000,000	35.0%	\$550,000,000	25.0%
\$10,500,000	40.0%	\$600,000,000	30.0%
\$11,500,000	45.0%	\$700,000,000	35.0%
\$12,500,000	50.0%	\$800,000,000	40.0%
\$13,500,000	55.0%	\$900,000,000	45.0%
<b>Increment</b> for every \$1,000,000 thereafter	5.0%	Greater than \$900,000,000	45.0%



Bonus percentages associated with life sales are not capped but increase by 5.0% with every additional \$1,000,000 of placed target premium. Conversely, the bonus percentage for annuity sales is capped at 45% irrespective of sales production above the annuity sales goal.

Assuming an officer salary of \$100,000 and 2007 production of \$11,000,000 of Life placed target premium and \$510,000,000 of Annuity placed total premium, the officer's 2007 sales bonus component under the Program would be \$60,000 (\$100,000 x 40% for Life business plus \$100,000 x 20% for Annuity business).

**Persistency Component (15%):**

Similar to the sales component, the persistency component of the Program is further subdivided between Life business and Annuity business.

The 36<sup>th</sup> month ratio of actual persistency to expected (i.e. pricing) persistency as reported in the Duration Score Listing query will serve as the measure for the Life persistency component of the Program. For purposes of the persistency measurement, the parameters include all writing agents (active and terminated) and all life business (universal life and traditional).

Based upon these persistency performance factors, the bonus percentage corresponding with the Domestic Life persistency levels achieved in 2007 will be applied to each Domestic Marketing officer's base salary in accordance with the following grid:

<b>Domestic Business Persistency</b>	<b>Bonus %</b>
Less than 96%	0%
96% - 97%	1.5%
97% - 98%	3.0%
98% - 99%	4.5%
99% - 100%	6.0%
<b>100% - 101%</b>	<b>7.5%</b>
101% - 102%	9.0%
102% - 103%	10.5%
103% - 104%	12.0%
104% - 105%	13.5%
105% - 106%	15.0%
Greater than 106%	15.0%

At this time, the Duration Score Listing query does not support the annuity line of business. Therefore, for Annuity business the following duration year lapse ratios will be used for deriving expected persistency (approximate, based upon product mix):

- First year annual lapse rate of 1.5%
- Second year annual lapse rate of 3.0%
- Third year annual lapse rate of 4.0%
- Fourth year annual lapse rate of 6.0%
- Fifth year annual lapse rate of 8.0%
- Sixth year annual lapse rate of 10.0%



The target annuity persistency calculations will be done a rolling basis by applying a monthly factor, which equates over twelve months to the annual lapse rate, to each month's annuity sales from the month of sale and each successive month thereafter. Accordingly, the target annuity persistency calculation will be a weighting of each month's sales amount and its corresponding duration at the time of measurement. Actual persistency will be compared to target persistency for purposes of determining the ratio of actual persistency to target persistency (i.e. actual 93.55%/target 91.25% = ratio of 102.42%) and the table shown above will be used for determining the persistency bonus percentage. For purposes of the Program, the annuity persistency calculation will only be applied to business placed beginning in January 2002 and following (i.e. inforce Annuity business as of 12/31/01 will not be part of the persistency calculation).

Assuming an officer salary of \$100,000 and 2007 persistency ratios of 98.2% for Life business and 102.42% for Annuity business, the officer's 2007 persistency bonus component under the Program would be \$15,000 (\$100,000 x 4.5% for Life business plus \$100,000 x 10.5% for Annuity business).

**Expense Component (15%):**

The expense component of the program is based upon the ratio of actual expenses to target premium sales. For purposes of this ratio, annuity target premium is defined as 7.5% of total placed premium. Actual expenses include all cost center expenses with the exception of bonuses paid, agent health claims, agent reserve balance changes, and sales conference expenses.

Based upon the actual ratio achieved, the corresponding bonus percentage based upon the following chart will be applied to 100% of each Domestic Marketing officer's base salary:

<b>Ratio of Expense/ Target Premium</b>	<b>Bonus %</b>
Less than 4.15%	30.0%
4.15 % to 4.30%	27.0%
4.30% to 4.45%	24.0%
4.45% to 4.60%	21.0%
4.60% to 4.75%	18.0%
4.75% to 4.90%	15.0%
4.90% to 5.05%	12.0%
5.05% to 5.20%	9.0%
5.20% to 5.35%	6.0%
5.35% to 5.50%	3.0%
More than 5.50%	0.0%

Assuming actual expenses of \$2.4 million, life target premium sales of \$11.0 million, and annuity total placed premium of \$510 million, the calculated ratio would be 4.87% (\$2.1 million divided by the sum of \$11.0 million life target sales and \$38.25 million annuity (\$510 million times 7.5%)). The officer's 2007 expense management bonus component under the Program, assuming a \$100,000 base salary, would be \$15,000 (\$100,000 x 15%).

From the above examples, the officer with a \$100,000 base salary would receive a 2007 bonus under the program of 90.0% or \$90,000 (\$60,000 sales plus \$15,000 persistency plus \$15,000 expense management) reflecting persistency and expense management at “par” and sales below “par”. See “Administration” for further guidelines when the bonus percentage exceeds 100%.

**Administration:**

Bonus amounts under the program will be calculated and advanced quarterly based upon actual results. However, bonus advances will be limited to 100% of participant base salary even if actual results to-date exceed 100%. In the event that actual year-to-date results are below minimum Program performance factor levels, the Company may, at its discretion, suspend the bonus advance payments until such time as the year-to-date results reach the minimum Program performance levels. Bonus amounts paid year-to-date will not be recouped from the participants in the event of suspension of quarterly payments except at the end of the Program year if unearned.

If at the end of the year the aggregate bonus percentage exceeds 100%, the incremental % above 100% will be applied to the base salaries of all Domestic Marketing Officers (weighted for the portion of the calendar year each participant was employed by the Company) to determine a dollar amount to be put into a “pool”. The pool amount will be allocated based upon the recommendation of the Domestic Chief Marketing Officer and as approved by the Company President. The recommendation of the pool allocation by the Chief Marketing Officer must be submitted to the Company President by the end of the January 2008. The pool amount will be paid out quarterly in the following calendar year (i.e. 2008). Participants must be currently employed by the Company in order to receive pool payments. In other words, unpaid pool bonuses will be forfeited by participants upon termination from the Company. Amounts forfeited by terminated participants will remain the property of the Company and will not be redistributed among the remaining participants.

If employment with the Company is terminated during calendar 2007 for any reason other than “termination for cause” by NWL, the 2007 bonus amount paid at termination will be based upon the current year-to-date bonus % (not to exceed 100%) and the prorated percentage of the calendar year that services were rendered to the Company. In the event of death, the bonus amount will be paid to the individual’s spouse, and if the individual’s spouse is also not living at that time, then to the individual’s children.

The Program, its terms, and its administration are at the complete discretion of the Company President and/or Compensation and Stock Option Committee (“Compensation Committee”) of the Board of Directors and may be changed or revoked at any time without the consent of the participants. This includes, among other things, amendment of the terms, targets, and other features of the Program as the Company President and/or Compensation Committee sees fit. Accordingly, this Program does not constitute a legal and binding obligation of the Company to perform.

---

All amounts paid to participants under this program will be excluded when determining benefits under the Company's pension, 401(k), and other benefit programs.

April 19, 2007

**EXHIBIT 10(bp)**

**National Western Life Insurance Company  
2007 INTERNATIONAL MARKETING OFFICER BONUS PROGRAM**

The Bonus Program (“Program”) is designed to reward International Marketing officers for their performance in achieving pre-determined sales targets while assisting the Company in managing to its profit criteria. The Plan incorporates three measurable performance factors: (1) sales, which are defined as net placed annualized target premium for International Life business and as total placed premium for Annuity business, (2) persistency, and (3) expense management.

Each of the three performance factors will have an assigned target level for purposes of the Program. Assuming a “par” performance (i.e. achieving each target level), the weighting of the bonus (applied to base salary) is 70% for sales performance, 15% for persistency performance, and 15% for expense management performance. Actual results compared to the targets can either increase or decrease these percentages as explained in each of the following sections.

**Sales Component (70%):**

The sales component of the Program is based upon an International Life sales target of \$32,700,000 net placed annualized target premium. The New Business Market Summary Report (NWAR60) will be the source of sales results for purposes of this Program. Based upon this sales goal, the bonus percentage corresponding with the International Life sales production levels achieved in 2007 will be applied to 100% of each International Marketing officer’s base salary in accordance with the following grid:

<b>Life Placed Target Premium</b>	<b>Bonus %</b>
\$29,200,000	20.0%
\$29,900,000	30.0%
\$30,600,000	40.0%
\$31,300,000	50.0%
\$32,000,000	60.0%
<b>\$32,700,000</b>	<b>70.0%</b>
\$33,400,000	80.0%
\$34,100,000	90.0%
\$34,800,000	100.0%
<b>Increment for every \$500,000 thereafter</b>	<b>5.0%</b>

Bonus percentages associated with life international sales are not capped but increase by 5.0% with every additional \$500,000 of placed target premium. Assuming an officer salary of \$100,000 and 2007 production of \$31,500,000 of International Life placed target premium, the officer’s 2007 sales bonus component under the Program would be \$50,000 (\$100,000 x 50%).

---

**Persistence Component (15%):**

The 60<sup>th</sup> month ratio of actual persistency to expected (i.e. pricing) persistency as reported in the Duration Score Listing query will serve as the measure for the persistency component of the Program. For purposes of the persistency measurement, the parameters include all international writing agents (active and terminated) and all life business (universal life and traditional).

Based upon these persistency performance factors, the bonus percentage corresponding with the International Life persistency levels achieved in 2007 will be applied to each International Marketing officer's base salary in accordance with the following grid:

<b>Life Business Persistency</b>	<b>Bonus %</b>
Less than 96%	0%
96% - 97%	3%
97% - 98%	6%
98% - 99%	9%
99% - 100%	12%
<b>100% - 101%</b>	<b>15%</b>
101% - 102%	18%
102% - 103%	21%
103% - 104%	24%
104% - 105%	27%
105% - 106%	30%
Greater than 106%	30%

Assuming an officer salary of \$100,000 and 2007 persistency of 103.6% for International Life business, the officer's 2007 persistency bonus component under the Program would be \$24,000 ( $\$100,000 \times 24\%$ ).

**Expense Component (15%):**

The expense component of the Program is based upon the ratio of actual expenses to life target premium sales. Actual expenses include all cost center expenses as reported in the monthly cost center reports comparing actual expenses to budgeted expenses with the exception of bonuses paid and sales conference expenses.

Based upon the actual ratio achieved, the corresponding bonus percentage based upon the following chart will be applied to 100% of each International Marketing officer's base salary:



<b>Ratio of Expense/ Target Premium</b>	<b>Bonus %</b>
Less than 4.45%	30.0%
4.45 % to 4.55%	27.0%
4.55% to 4.65%	24.0%
4.65% to 4.75%	21.0%
4.75% to 4.85%	18.0%
<b>4.85% to 4.95%</b>	<b>15.0%</b>
4.95% to 5.05%	12.0%
5.05% to 5.15%	9.0%
5.15% to 5.25%	6.0%
5.25% to 5.35%	3.0%
More than 5.35%	0.0%

Assuming actual expenses of \$1.6 million, life target premium sales of \$31.5 million, the calculated ratio would be 5.08%. The officer's 2007 expense management bonus component under the Program, assuming a \$100,000 base salary, would be \$9,000 (\$100,000 x 9%).

From the above examples, the officer with a \$100,000 base salary would receive a 2007 bonus under the program of 83.0% or \$83,000 (\$50,000 sales plus \$24,000 persistency plus \$9,000 expense management) reflecting sales and expense management below "par" and persistency above "par". See "Administration" for further guidelines when the bonus percentage exceeds 100%.

**Administration:**

Bonus amounts under the program will be calculated and advanced quarterly based upon actual results. However, bonus advances will be limited to 100% of participant base salary even if actual results to-date exceeds 100%. In the event that actual year-to-date results are below minimum Program performance factor levels, the Company may, at its discretion, suspend the bonus advance payments until such time as the year-to-date results reach the minimum Program performance levels. Bonus amounts paid year-to-date will not be recouped from the participants in the event of suspension of quarterly payments except at the end of the Program year if unearned.

If at the end of the year the aggregate bonus percentage exceeds 100%, the incremental % above 100% will be applied to the base salaries of all International Marketing Officers (weighted for the portion of the calendar year each participant was employed by the Company) to determine a dollar amount to be put into a "pool". The pool amount will be allocated based upon the recommendation of the International Chief Marketing Officer and as approved by the Company President. The recommendation of the pool allocation by the Chief Marketing Officer must be submitted to the Company President by the end of the January 2008.

The pool amount will be paid out quarterly in the following calendar year (i.e. 2008). Participants must be currently employed by the Company in order to receive pool payments. In other words, unpaid pool bonuses will be forfeited by participants upon termination from the Company. Amounts forfeited by terminated participants will remain the property of the Company and will not be redistributed among the remaining participants.

If employment with the Company is terminated during calendar 2007 for any reason other than "termination for cause" by NWL, the 2007 bonus amount paid at termination will be based upon the current year-to-date bonus % (not to exceed 100%) and the prorated percentage of the calendar year that services were rendered to the Company. In the event of death, the bonus amount will be paid to the individual's spouse, and if the individual's spouse is also not living at that time, then to the individual's children.

The Program, its terms, and its administration are at the complete discretion of the Company President and/or Compensation and Stock Option Committee ("Compensation Committee") of the Board of Directors and may be changed or revoked at any time without the consent of the participants. This includes, among other things, amendment of the terms, targets, and other features of the Program as the Company President and/or Compensation Committee sees fit. Accordingly, this Program does not constitute a legal and binding obligation of the Company to perform.

All amounts paid to participants under this program will be excluded when determining benefits under the Company's pension, 401(k), and other benefit programs.

April 19, 2007