

**FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429**

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): **February 27, 2018 (February 23, 2018)**

Bank of the Ozarks

(Exact name of registrant as specified in its charter)

Arkansas

(State or other jurisdiction of incorporation)

110

(FDIC Certificate Number)

71-0130170

(IRS Employer Identification No.)

17901 Chenal Parkway, Little Rock, Arkansas

(Address of principal executive offices)

72223

(Zip Code)

(501) 978-2265

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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

- () 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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

(b) Departure of Directors or Certain Officers

On February 23, 2018, director Henry Mariani informed the Chairman of the Nominating and Governance Committee of the Board of Directors (the “Board”) of Bank of the Ozarks (the “Company”) of his intention to retire as a director of the Company at the end of his current term and not stand for re-election at the Company’s 2018 annual shareholders meeting (“2018 Meeting”). Mr. Mariani has served as a director of the Company since 1997. Mr. Mariani will continue to serve as a director, as chairman of the Audit Committee, and as a member of the Executive Committee, ALCO Committee and Directors’ Loan Committee until the 2018 Meeting. The Company would like to sincerely thank Mr. Mariani for his faithful service to the Company and the Board over the past 20 years. Mr. Mariani’s decision to not stand for re-election to the Board is not the result of any disagreement with the Company.

(e) Compensatory Arrangements of Certain Officers

On February 25, 2018, the Personnel and Compensation Committee (“Compensation Committee”) approved the Bank of the Ozarks 2018 Executive Management Stock-Based Performance Plan (“2018 Stock Incentive Plan”) and the 2018 Executive Management Cash-Based Performance Plan (“2018 Cash Incentive Plan” and, together with the 2018 Stock Incentive Plan, the “2018 Plans”) for executive officers and certain key employees. The Compensation Committee believes that subjecting a portion of the executive officers’ cash and equity compensation to achievement of pre-established performance targets, as provided under the 2018 Plans, will ensure the continued alignment of executive compensation, Company performance and strategic goal attainment.

The Company performance metrics (each a “Performance Metric”) and relative weighting for each metric under the 2018 Plans are set forth below. Awards under the 2018 Plans will be calculated based on the Company’s consolidated financial results for the period beginning on January 1, 2018 and ending on December 31, 2018 (the “Performance Period”). Pursuant to the terms of the 2018 Plans, the Compensation Committee must approve the various performance levels that must be attained with respect to each Performance Metric before payout.

| <u>2018 Performance Metrics</u> | | | |
|--|----------------------|---|----------------------|
| <u>2018 Cash Incentive Plan Metrics</u> | <u>Weight</u> | <u>2018 Stock Incentive Plan Metrics</u> | <u>Weight</u> |
| Return on Average Assets | 20% | Adjusted Diluted Earnings Per Share (“EPS”) | 25% |
| Adjusted Diluted EPS | 20% | Return on Average Tangible Common Equity | 25% |
| Efficiency Ratio, as adjusted | 20% | Growth in Non-Purchased Loans | 20% |
| Net Charge-Off Ratio | 20% | OZRK Total Shareholder Return to NASDAQ Index | 20% |
| Net Interest Margin-Fully Taxable Equivalent | 20% | Regulatory Compliance | 10% |

The Compensation Committee determines incentive opportunities payable to each participant based on the level of performance attained for the particular Performance Metric over the Performance Period. Payouts under each Performance Metric will depend on the level of performance achieved with respect to the particular Performance Metric. If the Company’s performance is below the threshold performance level set for the particular Performance Metric, the payout related to that metric is zero. Company performance that is at or above the maximum performance level set for the particular Performance Metric may result in payment up to the maximum amount of the incentive opportunity for that particular Performance Metric.

Following the Performance Period, the Compensation Committee shall determine whether and to what extent each Performance Metric has been met and the amounts, if any, payable to each participant

for the Performance Period. The Compensation Committee shall determine the actual amount of the award to each participant. Awards under the 2018 Stock Incentive Plan will be settled solely in shares of restricted stock granted under the 2009 Restricted Stock and Incentive Plan to be granted after the Performance Period and will vest 100% three years after the grant date. Awards under the 2018 Cash Incentive Plan will be settled solely in cash. All awards received by any participant pursuant to the 2018 Plans may be subject to recovery by the Company under the Company's Incentive Compensation Clawback Policy.

The foregoing summary is qualified in its entirety by reference to the 2018 Stock Incentive Plan and the 2018 Cash Incentive Plan, copies of which are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits:* The following exhibits are being filed with this Current Report on Form 8-K.

10.1* Bank of the Ozarks 2018 Executive Management Stock-Based Performance Plan

10.2* Bank of the Ozarks 2018 Executive Management Cash-Based Performance Plan

*Management contract or a compensatory plan or arrangement.

SIGNATURES

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.

BANK OF THE OZARKS

Date: February 27, 2018

By: /s/ Greg McKinney

Name: Greg McKinney

Title: Chief Financial Officer and Chief Accounting Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Document Description</u> |
|--------------------|---|
| 10.1* | Bank of the Ozarks 2018 Executive Management Stock-Based Performance Plan |
| 10.2* | Bank of the Ozarks 2018 Executive Management Cash-Based Performance Plan |

*Management contract or a compensatory plan or arrangement.



2018 Executive Management Stock-Based Performance Plan

1. Introduction

In order to encourage outstanding performance from its officers, the Personnel and Compensation Committee (the “**Committee**”) of the Board of Directors of Bank of the Ozarks (the “**Company**”) has established the following plan relating to 2018 stock incentive awards for specified officers (the “**Plan**”). While risk is an inherent aspect of our business, this Plan is designed to reward eligible employees for certain levels of performance without encouraging undue risk taking that could materially threaten the safety and soundness of the Company.

Subject to applicable law, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons. This document and the Plan described herein is not a contract and all amounts are payable at the discretion of the Committee. Designations, determinations, interpretations, and other decisions made by the Committee with respect to the Plan or any award need not be uniform and may be made selectively among participants, whether or not such participants are similarly situated.

2. Definitions

The following terms and definitions are applicable to the Plan:

“**Committee**” shall mean the Personnel and Compensation Committee of the Board of Directors of the Company.

“**Company**” collectively means Bank of the Ozarks or any successor or assignee corporation(s) into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

“**EPS**” means the Company’s diluted earnings per share computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding after consideration of the dilutive effect, if any, of the Company’s outstanding common stock options using the treasury stock method. Net income for purposes of calculating EPS under the Plan means the Company’s after tax net income available to common shareholders, determined in accordance with GAAP, adjusted to exclude (i) any unusual and/or non-recurring items, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs, liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in tax law, accounting principles or other such laws or provisions affecting reported results.

“**Performance Period**” means the period beginning on January 1, 2018 and ending on December 31, 2018.

“**ROATCE**” means the Return on Average Tangible Common Equity computed by dividing net income available to common shareholders (calculated in the same manner as EPS) by average tangible common shareholders’ equity. Average tangible common shareholders’ equity equals average common shareholders’ equity (excluding the same items excluded in the

calculation of EPS) before noncontrolling interest less goodwill and other identifiable intangible assets, net of accumulated amortization.

3. Plan Business Objectives

The business objectives of the Plan are to encourage outstanding performance from officers of the Company.

4. Eligible Participants

The Committee shall designate those officers of the Company that will be eligible to receive an award pursuant to the Plan (each a “**Participant**”).

5. Plan Components and Payment

5.1 Performance Metrics

The Company performance metrics (each a “**Performance Metric**”) and the relative weighting of each Performance Metric (“**Weight**”) for the Plan are set forth in the table below.

| Performance Metrics | Payout Percentage | Documentation | Payment Frequency |
|---|--|--|--|
| <i>This Plan is comprised of the following components:</i> | <i>Payouts are measured and calculated as follows.</i> | <i>The following reports are required to support the calculation of the amounts:</i> | |
| <ul style="list-style-type: none"> • EPS (25%) • ROATCE (25%) • Non-Purchased Loan Growth (20%) • Total Shareholder Return compared to the NASDAQ Financial Index (20%) • Regulatory (10%) | No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric. Each Performance Metric will include multiple ranges of possible performance and each level contains a corresponding payout percentage (ranging from 0% to 100%). | As soon as practicable following the end of the Performance Period, the Chief Financial Officer shall prepare a report for the Committee reflecting the Company’s performance for the Performance Period with respect to each Performance Metric and the related calculations and adjustments. | Annual, to be paid within 90 days following the end of the Performance Period. |

5.2 Award Opportunities

No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric before payout using various levels of performance. In addition, no later than 90 days following the commencement of the Performance Period, the Committee shall approve the maximum incentive award opportunity for each Participant based on the level of performance attained for the particular Performance Metric over the Performance Period. Payouts under each Performance Metric will depend on the level of performance achieved with respect to the particular metric. If the Company’s performance is below the threshold amount set for the particular Performance Metric, the payout related to the particular metric is zero. Company performance that is at or above the maximum level set for the particular Performance Metric may

result in payment up to the maximum amount of the incentive opportunity for that particular Performance Metric.

5.3 Payment of Bonus Awards

As soon as practicable following the end of the Performance Period, the Committee shall determine (such date, the “**Determination Date**”) whether and to what extent each Performance Metric has been achieved and the final dollar amount (“**Bonus Award**”), if any, payable to each Participant under the Plan.

Each Bonus Award shall be settled solely in shares of restricted stock. The restricted stock shall vest 100% on the third anniversary of the grant date. The actual number of shares of restricted stock that will be granted to any Participant will be based on the final Bonus Award approved by the Committee on the Determination Date. Shares of restricted common stock that may be awarded will be valued based on the fair market value of the Company’s common stock determined on the basis of the average of the highest reported asked price and the lowest reported bid price reported on the relevant date on the Nasdaq Stock Market. Grants of restricted stock awarded under this Plan shall be pursuant to the Company’s Amended and Restated 2009 Restricted Stock and Incentive Stock Plan, as from time to time amended and restated (the “**Restricted Stock Plan**”).

Shares of restricted stock will be subject to the terms and conditions of the restricted stock award agreement, the form of which is consistent with past grants of restricted stock and previously approved by the Committee. The restricted stock shall vest on the third anniversary of the grant date, subject to continuous employment during such period.

In determining the final Bonus Award to be awarded to any Participant for the Performance Period, the Committee shall have the right to increase or decrease the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or Company performance for the Performance Period, including the Company’s overall performance, the individual Participant’s specific contributions and performance throughout the Performance Period and any actual or perceived inappropriate risks taken by Participants.

Each Bonus Award shall be paid within 90 days after the end of the Performance Period and assuming Participant is an employee in good standing at the Company. Except as the Committee may otherwise determine in its sole and absolute discretion, termination of a Participant’s employment prior to the end of the Performance Period will result in the forfeiture of any right to a Bonus Award for the applicable year.

This Plan is not a contract and all amounts are payable at the discretion of the Plan Administrator.

6. Limits and Caps

The Company and the Committee believe that uncapped opportunities may lead to the pursuit of short-term objectives to the detriment of long-term performance. Except as otherwise provided in the Plan, Participants may be paid a Bonus Award equal to no more than the maximum Bonus Award established for the Participant.

7. Discretion

Plans that payout without the opportunity for qualitative adjustments by management (strictly formula driven) have a higher risk profile. Discretion in this Plan is accomplished as follows:

- While the Committee approves maximum Bonus Award opportunities for each Participant, it is anticipated that only superior performance will warrant the approval of the maximum Bonus Award amount for any Participant.
- The Committee retains authority to adjust Bonus Award amounts, in its sole and absolute discretion.

8. Administrative Provisions

8.1 Plan Administrator

The Company may designate one or more committees, officers, or managers of the Company, a third party administrator, or such other department within the Company, as it deems appropriate (“**Plan Administrator**”) to administer the Plan. The Plan Administrator has authority to interpret the Plan and to make or nullify any rules and procedures, as necessary, for proper administration.

8.2 Risk Management

At least annually, the Chief Risk Officer (or his designee) will review this Plan and provide a report including a detailed assessment regarding inherent risks of the Plan. This risk report and the Plan document in full will be reviewed by the Committee to ensure that the Plan design is consistent with the compensation philosophy of the Company and that the Plan does not motivate undue risk taking. The annual review will also include the Plan’s alignment with the Company’s strategic plan, an assessment of how the Plan meets the objectives in the introduction of this document, plus the Plan’s impact on the overall safety and soundness of the Company.

8.3 Clawback

Compensation under the Plan will be subject to any compensation clawback and recoupment policies that may be applicable to the employees of the Company, as in effect from time to time, whether or not approved before or after the effective date of the Plan.

8.4 Taxability of Compensation

This Plan is not a “qualified” plan for federal income tax purposes, and any payments are subject to applicable tax withholding requirements. The Company is authorized to withhold from any payment under the Plan, amounts of withholding, and other taxes due in connection with a payment made under the Plan, and to take such other action as the Plan Administrator may deem advisable to enable the Company and employees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any payment.

8.5 Application of Section 409A of the Internal Revenue Code

The Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code.

8.6 Limitations on Rights Conferred under Plan

No Right to Employment. Nothing contained in the Plan or in any documents related to the Plan will confer upon any employee any right to continue as an employee or in the employ of the Company or constitute any contract or agreement of employment, or interfere in any way with the right of the Company to reduce such person's compensation, to change the position held by such person or to terminate the employment of such employee, with or without cause, but nothing contained in the Plan or any document related thereto will affect any other contractual right of any employee. No benefit payable under, or interest in, the Plan will be transferable by an employee except by will or the laws of descent and distribution or otherwise be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge.

No Trust or Fund Created. Neither the Plan nor any award hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, any of its subsidiaries or affiliates and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any of its subsidiaries or affiliates pursuant to an award, such right shall be no greater than the right of any unsecured general creditor of the Company or any of its subsidiaries or affiliates.

No Rights to Awards. No person shall have any claim to be granted any award and there is no obligation for uniformity of treatment among Participants. The terms and conditions of the awards, if any, need not be the same with respect to each Participant. The Company reserves the right to terminate or suspend the Plan at any time in the Company's sole discretion.

8.7 Plan Changes, Termination or Discontinuance

The Committee may terminate, modify, or amend this Plan. In addition to any adjustments enumerated by the Committee when setting the Performance Metrics, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting any Participant, the Company, or any subsidiary or affiliate, or the financial statements of the Company or of any subsidiary or affiliate; in the event of changes in applicable laws, regulations or accounting principles; or in the event the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The Committee is also authorized to adjust performance targets or awards downward to avoid unwarranted windfalls. Any adjustments to the financial performance results utilized in this Plan because of extraordinary gains or losses or other items must be approved by the Committee.

Any decisions made or actions taken by the Committee or the Plan Administrator in connection with the administration, interpretation, and effect of the Plan shall be at the Plan Administrator's absolute discretion and will be conclusive and binding on all parties.

This Plan has been designed and approved to be in full compliance with all relevant laws, regulations and guidelines. However, in recognition of the fluid regulatory and legal environment, in the event and to the extent that any component of this Plan found to be non-compliant with existing or newly created laws, regulatory guidelines or interpretation of regulatory guidelines, affected Participants will be immediately ineligible for payment under this Plan, and may instead be eligible through an alternate ad hoc plan at the discretion of the Committee. All payouts under any ad hoc plan will be made at the discretion of the Committee.

8.8 Confidential Information, Non-Solicitation, and Non-Hire

Nothing in the Plan is intended to be inconsistent with the terms, conditions and restrictions set forth in any Company policy and/or such other confidentiality, non-solicitation and non-hire obligations.

8.9 Severability

Each provision in the Plan is severable, and if any provision is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not, in any way, be affected or impaired thereby.

8.10 Successors and Assigns

The provisions of the Plan will be binding upon the Company and its successors and upon the employees and their legal representatives.

8.11 Governing Law

The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any payment made under the Plan will be determined in accordance with the laws of Arkansas, without giving effect to principles of conflicts of laws, and applicable federal law.

9. Submission and Approval of Payments through Human Resources

The following personnel and/or Board Committee are required to review and approve in writing calculations and requests for payments submitted by the Plan Administrator to the Human Resources Director:

| | |
|---|---|
| Business Line Executives <i>Prepares recommendation for Participant's maximum incentive award opportunity</i> | Chief Executive Officer makes recommendation for all Participants other than himself. Personnel and Compensation Committee determines maximum award opportunity for Chief Executive Officer |
| Plan Administrator <i>Review and recommends to the Committee that the payments meet Plan design</i> | Chief Executive Officer |
| Committee Approval <i>Approves final Bonus Award based on Company performance of each</i> | Personnel and Compensation Committee of the Board. |

| | |
|---|--|
| <i>Performance Metric and considering individual performance for the Performance Period</i> | |
| HR Director <i>Review payment request for alignment with this Plan, but not recalculation</i> | Director of Human Resources, or appropriate designee |



2018 Executive Management Cash-Based Performance Plan

1. Introduction

In order to encourage outstanding performance from its officers, the Personnel and Compensation Committee (the “**Committee**”) of the Board of Directors of Bank of the Ozarks (the “**Company**”) has established the following plan relating to 2018 cash incentive awards for specified officers (the “**Plan**”). While risk is an inherent aspect of our business, this Plan is designed to reward eligible employees for certain levels of performance without encouraging undue risk taking that could materially threaten the safety and soundness of the Company.

Subject to applicable law, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons. This document and the Plan described herein is not a contract and all amounts are payable at the discretion of the Committee. Designations, determinations, interpretations, and other decisions made by the Committee with respect to the Plan or any award need not be uniform and may be made selectively among participants, whether or not such participants are similarly situated.

2. Definitions

The following terms and definitions are applicable to the Plan:

“**Committee**” shall mean the Personnel and Compensation Committee of the Board of Directors of the Company.

“**Company**” collectively means Bank of the Ozarks or any successor or assignee corporation(s) into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

“**Efficiency Ratio**” means the Company’s non-interest expense divided by the sum of net interest income – FTE and non-interest income and adjusted to exclude (i) any unusual and/or non-recurring items, such as, expenses incurred related to changing the name of the Company, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs, liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in tax law, accounting principles or other such laws or provisions affecting reported results.

“**EPS**” means the Company’s diluted earnings per share computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding after consideration of the dilutive effect, if any, of the Company’s outstanding common stock options using the treasury stock method. Net income for purposes of calculating EPS under the Plan means the Company’s after tax net income available to common shareholders, determined in accordance with GAAP, adjusted to exclude (i) any unusual and/or non-recurring items, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs, liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in tax law, accounting principles or other such laws or provisions affecting reported results.

“**Net Charge-off Ratio**” means the Company’s net charge-off ratio for total loans (non-purchased and purchased loans).

“**NIM**” means the Company’s net interest margin on a fully taxable equivalent, or FTE, basis.

“**Performance Period**” means the period beginning on January 1, 2018 and ending on December 31, 2018.

“**ROAA**” means the Company’s return on average assets computed by dividing net income available to common shareholders (calculated in the same manner as EPS) by total average assets.

3. Plan Business Objectives

The business objectives of the Plan are to encourage outstanding performance from officers of the Company.

4. Eligible Participants

The Committee shall designate those officers of the Company that will be eligible to receive an award pursuant to the Plan (each a “**Participant**”).

5. Plan Components and Payment

5.1 Performance Metrics

The Company performance metrics (each a “**Performance Metric**”) and the relative weighting of each Performance Metric (“**Weight**”) for the Plan are set forth in the table below.

| Performance Metrics | Payout Percentage | Documentation | Payment Frequency |
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| <i>This Plan is comprised of the following components:</i> | <i>Payouts are measured and calculated as follows.</i> | <i>The following reports are required to support the calculation of the amounts:</i> | |
| EPS (20%) ROAA (20%) Efficiency Ratio (20%) Net Charge-Off Ratio (20%) NIM (20%) | No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric. Each Performance Metric will include multiple ranges of possible performance and each level contains a corresponding payout percentage (ranging from 0% to 100%). | As soon as practicable following the end of the Performance Period, the Chief Financial Officer shall prepare a report for the Committee reflecting the Company’s performance for the Performance Period with respect to each Performance Metric and the related calculations and adjustments. | Annual, to be paid within 90 days following the end of the Performance Period. |

5.2 Award Opportunities

No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric before payout using various levels of performance. In addition, no later than 90 days following the commencement of the Performance Period, the Committee shall approve the maximum incentive award opportunity for each Participant based on the level of performance attained for the particular Performance Metric over the Performance Period. Payouts under each Performance Metric will depend on the level of performance achieved with respect to the particular metric. If the Company's performance is below the threshold amount set for the particular Performance Metric, the payout related to the particular metric is zero. Company performance that is at or above the maximum level set for the particular Performance Metric may result in payment up to the maximum amount of the incentive opportunity for that particular Performance Metric.

5.3 Payment of Bonus Awards

As soon as practicable following the end of the Performance Period, the Committee shall determine (such date, the "**Determination Date**") whether and to what extent each Performance Metric has been achieved and the final dollar amount ("**Bonus Award**"), if any, payable to each Participant under the Plan. Each Bonus Award shall be paid solely in cash within 90 days after the end of the Performance Period and assuming Participant is an employee in good standing at the Company.

In determining the amount earned by the Participant for the Performance Period, the Committee shall have the right to increase or decrease the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or Company performance for the Performance Period, including the Company's overall performance, the individual Participant's specific contributions and performance throughout the Performance Period and any actual or perceived inappropriate risks taken by Participants.

Except as the Committee may otherwise determine in its sole and absolute discretion, termination of a Participant's employment prior to the end of the Performance Period will result in the forfeiture of any right to a Bonus Award for the applicable year.

This Plan is not a contract and all amounts are payable at the discretion of the Plan Administrator.

6. Limits and Caps

The Company and the Committee believe that uncapped opportunities may lead to the pursuit of short-term objectives to the detriment of long-term performance. Except as otherwise provided in the Plan, Participants may be paid a Bonus Award equal to no more than the maximum Bonus Award established for the Participant.

7. Discretion

Plans that payout without the opportunity for qualitative adjustments by management (strictly formula driven) have a higher risk profile. Discretion in this Plan is accomplished as follows:

- While the Committee approves maximum Bonus Award opportunities for each Participant, it is anticipated that only superior performance will warrant the approval of the maximum Bonus Award amount for any Participant.
- The Committee retains authority to adjust Bonus Award amounts, in its sole and absolute discretion.

8. Administrative Provisions

8.1 Plan Administrator

The Company may designate one or more committees, officers, or managers of the Company, a third party administrator, or such other department within the Company, as it deems appropriate (“**Plan Administrator**”) to administer the Plan. The Plan Administrator has authority to interpret the Plan and to make or nullify any rules and procedures, as necessary, for proper administration.

8.2 Risk Management

At least annually, the Chief Risk Officer (or his designee) will review this Plan and provide a report including a detailed assessment regarding inherent risks of the Plan. This risk report and the Plan document in full will be reviewed by the Committee to ensure that the Plan design is consistent with the compensation philosophy of the Company and that the Plan does not motivate undue risk taking. The annual review will also include the Plan’s alignment with the Company’s strategic plan, an assessment of how the Plan meets the objectives in the introduction of this document, plus the Plan’s impact on the overall safety and soundness of the Company.

8.3 Clawback

Compensation under the Plan will be subject to any compensation clawback and recoupment policies that may be applicable to the employees of the Company, as in effect from time to time, whether or not approved before or after the effective date of the Plan.

8.4 Taxability of Compensation

This Plan is not a “qualified” plan for federal income tax purposes, and any payments are subject to applicable tax withholding requirements. The Company is authorized to withhold from any payment under the Plan, amounts of withholding, and other taxes due in connection with a payment made under the Plan, and to take such other action as the Plan Administrator may deem advisable to enable the Company and employees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any payment.

8.5 Application of Section 409A of the Internal Revenue Code

The Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code.

8.6 Limitations on Rights Conferred under Plan

No Right to Employment. Nothing contained in the Plan or in any documents related to the Plan will confer upon any employee any right to continue as an employee or in the employ of the Company or constitute any contract or agreement of employment, or interfere in any way with the right of the Company to reduce such person's compensation, to change the position held by such person or to terminate the employment of such employee, with or without cause, but nothing contained in the Plan or any document related thereto will affect any other contractual right of any employee. No benefit payable under, or interest in, the Plan will be transferable by an employee except by will or the laws of descent and distribution or otherwise be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge.

No Trust or Fund Created. Neither the Plan nor any award hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, any of its subsidiaries or affiliates and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any of its subsidiaries or affiliates pursuant to an award, such right shall be no greater than the right of any unsecured general creditor of the Company or any of its subsidiaries or affiliates.

No Rights to Awards. No person shall have any claim to be granted any award and there is no obligation for uniformity of treatment among Participants. The terms and conditions of the awards, if any, need not be the same with respect to each Participant. The Company reserves the right to terminate or suspend the Plan at any time in the Company's sole discretion.

8.7 Plan Changes, Termination or Discontinuance

The Committee may terminate, modify, or amend this Plan. In addition to any adjustments enumerated by the Committee when setting the Performance Metrics, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting any Participant, the Company, or any subsidiary or affiliate, or the financial statements of the Company or of any subsidiary or affiliate; in the event of changes in applicable laws, regulations or accounting principles; or in the event the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The Committee is also authorized to adjust performance targets or awards downward to avoid unwarranted windfalls. Any adjustments to the financial performance results utilized in this Plan because of extraordinary gains or losses or other items must be approved by the Committee.

Any decisions made or actions taken by the Committee or the Plan Administrator in connection with the administration, interpretation, and effect of the Plan shall be at the Plan Administrator's absolute discretion and will be conclusive and binding on all parties.

This Plan has been designed and approved to be in full compliance with all relevant laws, regulations and guidelines. However, in recognition of the fluid regulatory and legal environment, in the event and to the extent that any component of this Plan found to be non-compliant with existing or newly created laws, regulatory guidelines or interpretation of regulatory guidelines, affected Participants will be immediately ineligible for payment under this Plan, and may instead be eligible through an alternate ad hoc plan at the discretion of the Committee. All payouts under any ad hoc plan will be made at the discretion of the Committee.

8.8 Confidential Information, Non-Solicitation, and Non-Hire

Nothing in the Plan is intended to be inconsistent with the terms, conditions and restrictions set forth in any Company policy and/or such other confidentiality, non-solicitation and non-hire obligations.

8.9 Severability

Each provision in the Plan is severable, and if any provision is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not, in any way, be affected or impaired thereby.

8.10 Successors and Assigns

The provisions of the Plan will be binding upon the Company and its successors and upon the employees and their legal representatives.

8.11 Governing Law

The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any payment made under the Plan will be determined in accordance with the laws of Arkansas, without giving effect to principles of conflicts of laws, and applicable federal law.

9. Submission and Approval of Payments through Human Resources

The following personnel and/or Board Committee are required to review and approve in writing calculations and requests for payments submitted by the Plan Administrator to the Human Resources Director:

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| Business Line Executives <i>Prepares recommendation for Participant's maximum incentive award opportunity</i> | Chief Executive Officer makes recommendation for all Participants other than himself. Personnel and Compensation Committee determines maximum award opportunity for Chief Executive Officer |
| Plan Administrator <i>Review and recommends to the Committee that the payments meet Plan design</i> | Chief Executive Officer |
| Committee Approval <i>Approves final Bonus Award based on Company performance of each</i> | Personnel and Compensation Committee of the Board. |

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| <i>Performance Metric and considering individual performance for the Performance Period</i> | |
| HR Director <i>Review payment request for alignment with this Plan, but not recalculation</i> | Director of Human Resources, or appropriate designee |