
**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): **March 11, 2013**

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**
(Exact Name of Registrant as Specified in its Charter)

Iowa
(State or Other Jurisdiction
of Incorporation)

001-31911
(Commission
File Number)

42-1447959
(IRS Employer
Identification No.)

6000 Westown Parkway, West Des Moines, Iowa
(Address of Principal Executive Offices)

50266
(Zip Code)

(515) 221-0002
(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:

- ☐ 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))
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Item 5.02 (e) Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 11, 2013, the Compensation Committee (the “Committee”) of the Board of Directors of American Equity Life Holding Company (the “Company”) approved an amendment (the “Amendment” and attached hereto as Exhibit 10.1) to Paragraph C of Article V of the Company's Short-Term Performance Incentive Plan (the “Plan”) to provide for, at the Committee's discretion, appropriate adjustments (positive or negative) in, and computations pursuant to, awards under the Plan to reflect changes during the award year in a participant's base salary rate.

The Committee determined that the structure of incentive compensation awarded in 2013 to certain Company employees, including the Company's named executive officers, will be made up of two components: (i) short-term incentive compensation for fiscal year 2013 will be paid, if earned, in cash pursuant to the amended and restated Plan (attached hereto as Exhibit 10.2) and tied to threshold, target and maximum performance goals established with respect to Invested Asset Growth, weighted at 50%, and Return (based upon operating income) on Average Equity (excluding AOCI and fair value changes in derivatives and embedded derivatives), weighted at 50%, with threshold, target and maximum award opportunities for fiscal year 2013 at 15%, 30% and 60% of salary respectively and (ii) long-term incentive compensation will be paid, if earned, pursuant to restricted stock units granted under the Company's 2009 Employee Incentive Plan and tied to threshold and target performance goals for the three year period ended December 31, 2015, established with respect to Invested Asset Growth, Operating Income and Return (based upon operating income) on Average Equity (excluding AOCI and fair value changes in derivatives and embedded derivatives), each weighted at 33-1/3%, with threshold and target award opportunities at 15% and 30%, respectively, of current base salary. The number of restricted stock units granted was equal to 30% of current base salary based upon the closing price of the Company's common stock on March 11, 2013. 50% of the restricted stock units granted will be earned if we meet threshold performance goals, and 100% of the restricted stock units granted will be earned if we meet target performance goals.

The Committee also granted restricted stock awards to certain Company employees, including the Company's named executive officers, pursuant to the Company's 2009 Employee Incentive Plan equal to 10% of current base salary based upon the closing price of the Company's common stock on March 11, 2013 and subject to a three year cliff vesting period.

The foregoing description of the Amendment and the amended and restated Plan is qualified in its entirety by the terms of the Amendment and the amended and restated Plan, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Third Amendment to the American Equity Investment Life Holding Company Short-Term Performance Incentive Plan.
10.2	American Equity Investment Life Holding Company Short-Term Performance Incentive Plan adopted March 11, 2013, as amended and restated.

SIGNATURES

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

Date: March 14, 2013

**AMERICAN EQUITY INVESTMENT LIFE HOLDING
COMPANY**

By: /s/ John M. Matovina

Name: John M. Matovina

Title: Chief Executive Officer and President

EXHIBIT INDEX

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**Third Amendment to the
American Equity Investment Life Holding Company
Short-Term Performance Incentive Plan**

WHEREAS, American Equity Investment Life Holding Company (the “Company”) has previously adopted the American Equity Investment Life Holding Company Short-Term Performance Incentive Plan (the “Plan”); and

WHEREAS, the Company desires to amend the Plan as set forth herein.

NOW, THEREFORE, Paragraph C of Article V of the Plan is hereby amended in its entirety to read as follows:

Adjustments. Appropriate adjustments (positive and negative) and computations, including computations for a partial Award Year may be made by the Committee to reflect changes in a Participant's base salary rate, a Participant's job classification, or Selected Performance Factors during an Award Year.

This Third Amendment shall be effective as of the date it is adopted by the Compensation Committee of the Board of Directors of the Company, and shall apply to all awards granted under the Plan, including, without limitation, Incentive Awards made for the 2012 fiscal year.

American Equity Investment Life Holding Company
Short-Term Performance Incentive Plan
Adopted March, 2013

I. PURPOSE

A. *General.* In an effort to maintain a position of leadership in the industry in which American Equity Investment Life Holding Company (the “Company”) competes, it is necessary to promote financial interests of the Company and its Subsidiaries, including its growth, by attracting and retaining certain highly qualified employees possessing outstanding ability, motivating such employees by means of performance related incentives, and providing incentive compensation opportunities that are competitive with those of major corporations. The American Equity Investment Life Holding Company's Short-Term Performance Incentive Plan (the “Plan”) hereinafter described is designed to assist the Company in attaining these objectives.

B. *Cash Bonus Plan.* The Plan is not intended to be (and shall not be construed and administered as) an employee benefit plan within the meaning of ERISA. Incentive Awards under this Plan are intended to be discretionary and shall not constitute a part of an employee's regular rate of pay.

C. *Section 409A.* The Plan is intended to be exempt from the provisions of Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (“Section 409A”).

II. PLAN ADMINISTRATION

A. *Plan Administration.* The Company or its delegate has the authority and responsibility to manage and control the general administration of the Plan, except as to matters expressly reserved in this Plan to the Committee. This Plan is not intended to modify or limit the powers, duties or responsibilities of either the Board or the Committee as set forth under the Company's Certificate of Incorporation. Determinations, decisions and actions of the Company or, if applicable, the Committee, in connection with the construction, interpretation, administration, or application of the Plan will be final, conclusive, and binding upon any Participant and any person claiming under or through the Participant. No employee of an Employer, any member of the Board, any delegate of the Board, or any member of the Committee will be liable for any determination, decision, or action made in good faith with respect to the Plan or any Incentive Award made under the Plan.

B. *Specific Authority of the Committee.* The Committee shall have the sole authority and responsibility to review annually management's recommendations for the Selected Performance Objectives and Selected Performance Factors under the Plan, to select the Selected Performance Objectives and Selected Performance Factors for an Award Year, and to otherwise administer Incentive Awards payable to Participants, including Covered Awards.

C. *Non-Assignability.* A Participant's rights and interests in and to payment of any Incentive Award under the Plan may not be assigned, transferred, encumbered or pledged other than by will or the laws of descent and distribution; and are not subject to attachment, garnishment, execution or other creditor's processes.

D. *Amendment or Termination.* The Plan may at any time be amended, modified, or terminated, as the Committee in its discretion determines. Such amendment, modification, or termination of the Plan will not require the consent, ratification, or approval of any party, including any Participant. The Committee may amend the Selected Performance Objectives and/or the Selected Performance Factors as well as any Incentive Award (including increasing, decreasing or eliminating any or all Incentive

Awards for an Award Year) prior to the payment thereof to the extent it deems appropriate for any reason, including compliance with applicable securities laws. Notwithstanding the foregoing, to the extent the Committee has expressly designated an Incentive Award as a Covered Award, the Committee will not have any authority to amend or modify the terms of any Covered Award in any manner that would impair its deductibility under Section 162(m) of the Code.

Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that an Incentive Award may be subject to Section 409A, the Committee may reserve the right (without any obligation to do so or to indemnify any Participant for failure to do so) to adopt such amendments to the Plan and the applicable agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Incentive Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Incentive Award, or (b) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under such Section.

E. *No Contract of Employment.* Neither the Plan, nor any Incentive Award, constitutes a contract of employment, and participation in the Plan will not give any employee the right to be retained in the service of the Company or any Subsidiary or continue in any position or at any level of compensation.

F. *Controlling Law.* Except in connection with other matters of corporate governance and authority (all of which shall be governed by the laws of the Company's jurisdiction of incorporation), the validity, construction, interpretation, administration and effect of the Plan and any rules, regulations and actions relating to the Plan will be governed by and construed exclusively in accordance with the laws of the State of Iowa, notwithstanding the conflicts of laws principles of any jurisdictions.

G. *Compliance with Section 162(m) of the Code.* To the extent any provision of the Plan or an Incentive Award or any action of the Committee or the Company as it relates to a Covered Award may result in the application of Section 162(m)(1) of the Code to compensation payable to a Covered Employee, such provision or action shall be deemed null and void to the extent permitted by law and deemed advisable to the Committee.

H. *Unfunded, Unsecured Obligation.* A Participant's only interest under the Plan shall be the right to receive a payment of cash for an Incentive Award pursuant to the terms of the Incentive Award and the Plan. No portion of the amount payable to a Participant under this Plan shall be held by the Company or any Subsidiary in trust or escrow or any other form of asset segregation. To the extent that a Participant acquires a right to receive a payment of cash under the Plan, such right shall be no greater than the right of any unsecured, general creditor of the Company, and no trust in favor of any Participant will be implied.

III. DEFINITIONS

Unless the context requires otherwise, the following terms when used with initial capitalization have the following meanings:

A. *Award Year* - The fiscal year for which Incentive Awards, if any, are calculated under the Plan.

B. *Base Salary* - means a Participant's annual rate of base salary as of December 31 of an Award Year (without deduction for amounts deferred under any Deferred Compensation Agreement between the Company and the Participant and without regard to any salary reduction agreement to make

pre-tax elective contributions under any qualified Code Section 401(k) Plan or Code Section 125 cafeteria plan (including any HMO premium deductions)).

C. *Board* - The Board of Directors of the Company.

D. *Change in Control* - shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

- i. any “person” (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) acquires beneficial ownership (as defined in Rule 13d-3 under Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 35% or more of the combined voting power of the Company’s then outstanding securities, excluding any person who becomes such a beneficial owner in connection with a transaction described paragraph (iii) below;
- ii. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;
- iii. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (a) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates) representing 35% or more of the combined voting power of the Company’s then outstanding securities; or
- iv. the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets, other than a sale or disposition by the Company of all or substantially all of the Company’s assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

E. *Code* - The Internal Revenue Code of 1986, as from time to time amended, including any related regulations.

F. *Committee* - the Compensation Committee of the Board of Directors of the Company, comprised (to the extent the Plan is intended to satisfy the requirements of Section 162(m) of the Code) solely of two or more outside directors meeting the requirements of Section 162(m) of the Code.

G. *Company* - American Equity Investment Life Holding Company.

H. *Covered Award* - An Incentive Award (i) that will be paid to a Covered Employee, (ii) that the Committee expressly designates as performance-based compensation and intends to be fully deductible under Section 162(m) of the Code, and (iii) that will be paid following the shareholder approval required by Section 162(m)(4)(C)(ii) of the Code.

I. *Covered Employee* - An individual who is a “covered employee” within the meaning of Section 162(m)(3) of the Code.

J. *Employer* - The Company and any Subsidiary that, with the approval of the Committee, has adopted this Plan.

K. *ERISA* - The Employee Retirement Income Security Act of 1974, as from time to time amended, including any related regulations.

L. *Fair Market Value* - The Fair Market Value of a share of Stock, as of any date (or, if no shares were traded or quoted on such date, as of the next preceding date on which there was such a trade or quote), as determined by (a) the closing price of the Stock if the Stock is listed, admitted to unlisted trading privileges or reported on the New York Stock Exchange, any foreign or national securities exchange or on the Nasdaq Global Market or an equivalent foreign market on which sale prices are reported; (b) if the Stock is not so listed, admitted to unlisted trading privileges or reported, the closing bid price as reported by the Nasdaq Capital Market, OTC Bulletin Board or the National Quotation Bureau, Inc. or other comparable service; or (c) if the Stock is not so listed or reported, such price as the Committee determines in good faith in the exercise of its reasonable discretion.

M. *Incentive Award* - The dollar value of an award made to a Participant as determined under the Plan.

N. *Incentive Opportunity* - The amount, stated as a percentage of a Participant's Compensation, determined with respect to an Award Year (or partial Award Year in the case of participation for a partial year), that will be included in a Participant's Incentive Award formula under Paragraph V(A) of the Plan. The Incentive Opportunity upon which any Covered Award is based will be determined solely by the Committee.

O. *Participant* - Each employee of an Employer who is designated as a Participant for an Award Year by the Committee.

P. *Performance Objectives* - One or more objectively determinable measures established at the beginning of an Award Year pursuant to Paragraph II(B), related to invested assets, gross production, commissions, net sales, operating income before income taxes, operating income, operating income per share (basic or diluted), income before income taxes, net income, net income per share (basic or diluted), return ratios (including return on assets, return on average equity, return on investment and return on sales), cash flows, market share, cost reduction goals, margins (including one or more of gross, operating and net income margins), stock price, total return to stockholders, economic value added, working capital and productivity improvements, and implementation or completion of critical projects. Performance Objectives may be described in terms of Company, Subsidiary or business unit performance, either absolute or by relative comparison to other companies or any other external measure of the selected criteria. Performance Objectives shall be stated in terms of Threshold, Target and Maximum levels. For other than Covered Awards, the Committee may add other Performance Objectives not specifically listed above.

Q. *Plan* - The American Equity Investment Life Holding Company Short-Term Performance Incentive Plan, as evidenced by this written instrument as may be amended from time to time.

R. *Selected Performance Factors* - The numerical factors (expressed as a percentage) established pursuant to Paragraph II(B) relating to the Plan's Selected Performance Objectives for the Award Year and corresponding to the actual achievement of the Threshold, Target and Maximum Selected Performance Objectives (each as described in Paragraph III(S)) for such Award Year. If the actual achievement of the Selected Performance Objective for an Award Year, as determined by the Committee shortly after the Award Year, is between the Threshold and Target or Target and Maximum Objectives, the Selected Performance Factor will be the amount determined by linear interpolation between the two corresponding Threshold, Target or Maximum Selected Performance Factors.

S. *Selected Performance Objectives* - One or more Performance Objectives selected for an Award Year. Subject to the provisions of Article VIII with respect to a Covered Award, the Committee shall establish at the beginning of an Award Year the Selected Performance Objectives, including the "Threshold", "Target" and "Maximum" levels with respect to any Covered Award.

T. *Stock* - Shares of common stock of the Company, par value \$1 per share.

U. *Subsidiary* - Any entity, corporate or otherwise, in which the Company, directly or indirectly, owns or controls a greater than 50% interest.

IV. PARTICIPATION

A. *Participants*. Participants will be determined annually by the Committee who, in the judgment of the Committee, have contributed, are contributing or are expected to contribute to the creation of value for the Company and its stockholders. Designation as a Participant will apply only for the Award Year for which the designation is made and may include a partial year.

B. *Termination of Employment*. In order to be entitled to receive an Incentive Award for an Award Year, a Participant must be actively employed or on an approved leave of absence as of the last day of the Award Year; however, the Committee may in its sole discretion pay an Incentive Award to a Participant who has terminated employment but only if and to the extent the Performance Objectives for such Award Year are achieved.

V. COMPUTATION OF INCENTIVE AWARDS

A. *Incentive Awards*. Subject to Paragraph B, a Participant's Incentive Award for an Award Year will be an amount equal to the product of the following:

- i. The Participant's Incentive Opportunity;
- ii. The Participant's Base Salary; and
- iii. The sum of the Selected Performance Factors for the Award Year.

The Committee shall approve, and include in its minutes, a list of Participants specifying the Incentive Opportunity for each Participant, the Selected Performance Factors for the Award Year (with weightings between Selected Performance Factors where appropriate) and, for the avoidance of doubt, an illustrative calculation of the Incentive Award.

B. *Adjustments.* Appropriate adjustments (positive or negative) and computations, including computations for a partial Award Year, may be made by the Committee to reflect changes in a Participant's base salary rate, a Participant's job classification, or Selected Performance Factors during an Award Year.

C. *Change in Control.* Notwithstanding the foregoing provisions of this Article V or the provisions of Articles VI or VIII, upon the occurrence of a Change in Control, each Participant who has not yet then terminated employment with the Company and any Subsidiaries shall be paid his or her Incentive Award, in cash, at the target level of performance or, if greater, at the actual level of performance (on a pro rata basis in the case of performance thresholds determined in respect of a full year) for the portion of the Award Year preceding the Change in Control.

VI. PAYMENT OF INCENTIVE AWARDS

Any Incentive Award will be made in cash as soon as practicable following the end of the Award Year (and, in any event, by the 15th day of the third month following the calendar year in which occurs the end of the Award Year) without interest. Notwithstanding the foregoing, subject to the approval of the Committee, cash payments for a portion of the total cash payments pursuant to an Incentive Award reasonably expected to be earned for an Award Year may be paid in December prior to the end of the Award Year. In the event that, upon the final determination by the Committee of Incentive Awards payable to Participants pursuant to the Plan for an Award Year, an amount was paid prior to the end of the year that was in excess of the final determined amount, such excess amount shall be repaid to the Company by such Participant as soon as possible or the Company shall deduct such excess amount from any future salary amounts payable to the Participant.

VII. WITHHOLDING TAXES

Notwithstanding any of the foregoing provisions hereof, an Employer shall withhold from any payment to be made hereunder such amounts as it reasonably determines it may be required to withhold under any applicable federal, state or other law, and transmit such withheld amounts to the appropriate authorities. If cash payments under this Plan are not available to meet the withholding requirement, the Participant shall make available sufficient funds to meet the requirements of such withholding, and the Employer shall be entitled and authorized to take such steps as it may deem advisable, including but not limited to, withholding out of any funds or property due or to become due to the Participant, in order to have such funds made available to the Employer.

VIII. SPECIAL RULES FOR COVERED AWARDS

Notwithstanding any other provision of this Plan to the contrary, the following provisions shall control with respect to any Covered Award:

A. *Prestablished Incentive Opportunity and Performance Objectives.* The Selected Performance Factors, Selected Performance Objectives and Incentive Opportunity upon which a Covered

Award is based or subject shall be established by the Committee in writing not later than 90 days after the commencement of the Award Year (or period of service as the case may be), provided that the outcome is substantially uncertain at the time the Committee actually establishes such factors and the objectives upon which they are based (or at such earlier time as may be required or such later time as may be permissible under Section 162(m) of the Code). The Committee shall not make Covered Awards based on Selected Performance Objectives not specifically provided under this Plan if it determines that use of such Performance Objectives would cause a Covered Award to not be deductible under Code Section 162(m).

B. *Certification of Performance Objectives.* Prior to the payment of a Covered Award, the Committee shall determine and certify in writing whether and to what extent the Selected Performance Objectives referred to in Paragraph A have been satisfied.

C. *Discretionary Reduction of Covered Award.* Notwithstanding the foregoing, the Committee may, in its sole discretion, reduce a Covered Award otherwise determined pursuant to the Plan.

D. *Limited Adjustments of Selected Performance Objectives.* In the event of (i) any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, extraordinary dividend or divestiture (including a spin-off) or any other change in corporate structure or shares; (ii) any purchase, acquisition, sale, disposition or write-down of a significant amount of assets or a significant business; (iii) any change in accounting principles or practices, tax laws or other such laws or provisions affecting reported results; (iv) any uninsured catastrophic losses or extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 or in management's discussion and analysis of financial performance appearing in the Company's annual report to stockholders for the applicable year; or (v) any other similar change, in each case with respect to the Company or any other entity whose performance is relevant to the achievement of any Selected Performance Objective included in a Covered Award, the Committee (or, if the Company is not the surviving corporation in any such transaction, a committee of the board of directors of the surviving corporation consisting solely of two or more "outside directors" within the meaning of Section 162(m)(4)(C)(i) of the Code) may, without the consent of any affected Participant, amend or modify the terms of any outstanding Covered Award that includes any Selected Performance Objectives based in whole or in part on the financial performance of the Company (or any Subsidiary or division thereof) or such other entity so as equitably to reflect such event, such that the criteria for evaluating such financial performance of the Company or such other entity (and the achievement of the corresponding Selected Performance Objectives) will be substantially the same (as determined by the Committee or such committee of the board of directors of the surviving corporation) following such event as prior to such event; provided, however, that any such change to any outstanding Covered Award pursuant to this Paragraph D must be made in such a manner that it is independently determinable by a hypothetical third party having knowledge of the relevant facts, and the Committee shall take no action pursuant to this Paragraph D that would constitute an impermissible exercise of discretion within the meaning of Section 162(m) of the Code, or would otherwise cause the Covered Award to not be deductible under Section 162(m) of the Code.

E. *Changes Affecting Timing.* No change shall be made to accelerate the payment of a Covered Award unless the amount of the Covered Award is discounted to reasonably reflect the time value of money. Further, no change shall be made to defer the payment of a Covered Award unless an increase in the amount paid with respect to such award is based on a reasonable rate of interest or on the actual returns on one or more predetermined actual investments (whether or not assets associated with the amount originally owed are actually invested therein).

F. *Maximum Amount.* The maximum amount of any Covered Award to any Covered Employee with respect to an Award Year, determined as of the time the Covered Award is paid, shall not exceed \$2,000,000.