CITIZENS

2022
NOTICE OF ANNUAL MEETING
AND
PROXY STATEMENT

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

April 25, 2022

Dear Shareholders,

On behalf of the entire Board of Directors, it is my privilege to invite you to our 2022 Annual Meeting of Shareholders to be held on Tuesday, June 7, 2022 at 10:00 a.m. Central Time, at our headquarters located at 11815 Alterra Parkway, Suite 1500, Austin, Texas 78758. Holders of record of our Class A common stock as of April 12, 2022 are entitled to notice of, and to vote at, the Annual Meeting.

The last 12 months have been an exciting year for Citizens as we transitioned from a controlled company for the first time in over 30 years. Thank you for your continued support and encouragement as we have worked through the challenges that face corporations in today's demanding business environment. I look forward to continuing our partnerships to deliver on the promises to our policyholders, our independent agents and consultants, our employees and to you, our shareholders.

We hope the material contained in this accompanying Proxy Statement demonstrates how seriously we take the trust you place in us through your ownership of Citizens shares, and we ask that you vote in accordance with the Board of Directors' recommendations as a sign of your support for our continuing efforts.

Sincerely,

Gerald W. Shields
Chief Executive Officer and President
Citizens, Inc.

NOTICE OF 2022 ANNUAL MEETING OF SHAREHOLDERS

WHEN:	WHERE:
Tuesday, June 7, 2022 10:00 a.m., Central Time	Citizens, Inc. Headquarters 11815 Alterra Parkway, Suite 1500, Austin, Texas 78758
The Notice of Meeting, Proxy Statement and Annual Report on Form 10-K are available free of charge at www.envisionreports.com/cia	

ITEMS OF BUSINESS:

(1) To elect each of the nine director nominees identified in the accompanying Proxy Statement to serve until the next annual meeting of shareholders or until his or her successor is duly elected and qualified;

(2) To ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2022;

(3) To approve, on a non-binding advisory basis, executive compensation ("Say-on-Pay"); and

(4) To transact such other business as may properly come before the Annual Meeting, or at any postponement or adjournment thereof.

RECORD DATE:

Close of business on April 12, 2022.

On or about April 25, 2022, proxy materials or a Notice of Internet Availability of Proxy Materials will be sent to shareholders who own our Class A common stock as of the Record Date in connection with our solicitation of proxies for this year's Annual Meeting of Shareholders.

By Order of the Board of Directors

Sheryl Kinlaw

Sheryl Kinlaw
Vice President, Chief Legal Officer and Secretary

Austin, Texas
April 25, 2022

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PROXY SUMMARY

This proxy summary highlights selected information that is provided in more detail throughout this Proxy Statement, which is first being sent or made available to shareholders of Citizens, Inc., a Colorado corporation, on or about April 25, 2022. This summary does not contain all of the information you should consider before voting, so please read the full Proxy Statement carefully before voting. For more information regarding our 2021 performance, please read our 2021 Annual Report on Form 10-K.

ABOUT CITIZENS

VISION STATEMENT

WE ARE committed to selflessly serve others by delivering financial security and peace of mind to individuals and families around the world.

Citizens, Inc. is an insurance holding company incorporated in Colorado serving the life insurance needs of individuals in the United States since 1969 and internationally since 1975. Through our insurance subsidiaries, we now provide insurance benefits to residents in 31 U.S. states and more than 75 different countries. We pursue a strategy of offering traditional insurance products in niche markets where we believe we are able to achieve competitive advantages. At December 31, 2021, we had approximately **$1.9 billion of assets** and approximately **$4.2 billion of insurance in force**.

2021 HIGHLIGHTS

IN 2021, WE BECAME A NON-CONTROLLED COMPANY

Throughout most of our history, the Company was led and controlled by our founder Harold E. Riley and his family members. Mr. Riley passed away in 2017 and in 2020, a change-in-control of our Company occurred when the shares held by the Harold E. Riley Trust were transferred to the Harold E. Riley Foundation (the “Foundation”). As a result of this change-in-control:

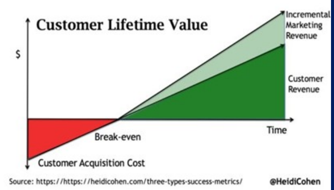
- On August 5, 2020, Geoffrey Kolander, our Chief Executive Officer and President resigned and Gerald W. Shields, the Vice Chairman of the Board of Directors of the Company, was appointed Interim Chief Executive Officer; and
- In February 2021, the Company entered into an agreement with the Foundation to purchase all of the outstanding shares of Class B common stock for a purchase price of $9.1 million (the “B Share Transaction”).

In April 2021, the Company and the Foundation obtained all regulatory approval required to consummate the the B Share Transaction. In accordance with Colorado law, the shares of Class B common stock are now classified as authorized, but unissued shares. Our Board of Directors (the "Board") has resolved not to vote the shares of Class B common stock as long as they are so classified. Accordingly, since April 2021:

- the Company has only one class of stock outstanding: the Class A common stock, which is registered under the Securities Exchange Act of 1934, as amended, and listed on the New York Stock Exchange (“NYSE”);
- the Class B Shares do not have any voting rights;
- the holders of the Class A shares are entitled to elect all of the directors at the Company’s annual meetings; and
- for the first time in over 30 years, we are no longer a “controlled” company as defined under the NYSE rules.

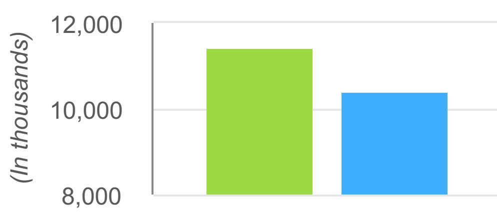
2021 PRIORITIES

Because we became a non-controlled company for the first time in over 30 years, the Board and management were able to reset and clearly define our priorities in order to set a course for long-term profitable growth. Our growth strategy consists of the following four pillars:

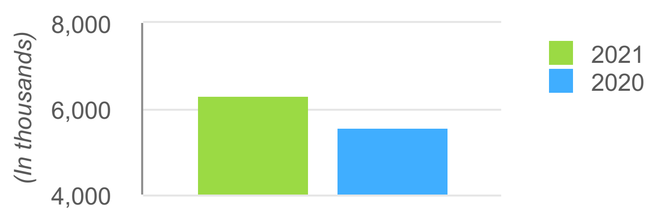
First Year Sales Increase	Improve Policy Retention	Roadmap Execution	Financials & Expense Discipline
Achieve first year sales growth across all markets.	Improve first year policy retention (measured on 15-month renewal).	Maintain and execute on the approved 5 Quarter Roadmap.	Maintain and execute on the approved budget and sales plan.
			

Our first-year premiums in 2021 increased by 11.2% compared to 2020. We believe this increase was driven by our focused marketing campaigns, including a campaign intended to recruit new agents, the introduction of new products, and higher sales in 2021 compared to 2020 due to COVID-19 impacts in 2020.

LIFE INSURANCE FIRST YEAR PREMIUMS

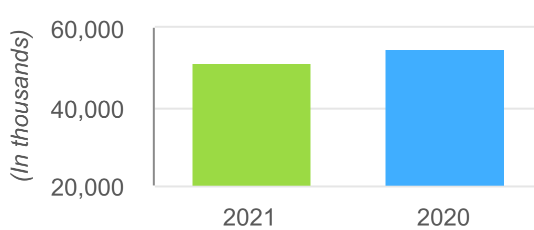


HOME SERVICE INSURANCE FIRST YEAR PREMIUMS



Our surrenders decreased by $3.2 million in 2021 from 2020, which we believe was in large part due to our retention efforts.

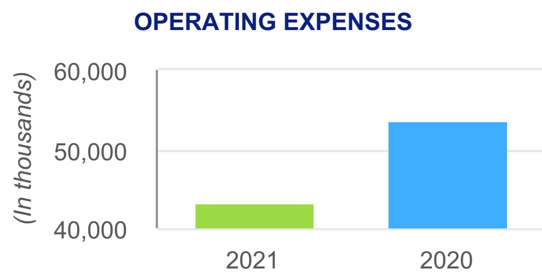
SURRENDERS



Accordingly, our retention improved in both our Life Insurance and our Home Service Insurance segments.

We achieved above expectations on our 5-quarter roadmap - importantly, we delivered 12 new or revised products tailored more specifically to our customer's needs, and also delivered the infrastructure to more efficiently deliver and service those products and our customers.

We achieved budgeted net income, partly as a result of gains due to our diversified investment strategy and also partly as a result of focus on controllable operating expenses. Operating Expenses are our second largest expense and thus drive our operating results. Our general operating expenses decreased by $10.3 million in 2021 as compared to 2020. General operating expenses in 2020 included $10.0 million of severance payments to our former CEO related to the change in control of the Company.



See "Financial Highlights" below and additionally, for specific information on performance on each of the four pillars, see "Executive Compensation – Compensation Discussion and Analysis – 2021 Executive Compensation Decisions in Detail – Calculating the 2021 Annual Bonus" on page 43.

FINANCIAL HIGHLIGHTS (2021 compared to 2020)

At December 31, 2021, we had $1.9 billion in total assets, an increase from $1.8 billion at December 31, 2020, and we had $27.3 million in cash and cash equivalents. We did not have any debt at December 31, 2021.

During 2021, we reported net income of $36.8 million, compared to a net loss of $11.0 million in 2020. In comparison to 2020, the $47.8 million increase in net income was primarily due to:

↑ $43.8 million tax benefit;
↑ $9.5 million increase in investment related gains; and
↓ $10.3 million of general expenses.

The increase in net income was partially offset by:

↑ $4.2 million in death claim benefits;
↑ $6.5 million in future policy benefit reserves; and
↑ $12.6 million goodwill impairment.

GOVERNANCE UPDATES

As we have transitioned from a controlled company to a non-controlled company over the past year, we have enhanced our corporate governance practices. Since our 2021 annual meeting of stockholders, we have:

- added **diversity** by electing two women to the Board in 2021 with deep insurance expertise
  - Cynthia H. Davis has been an insurance underwriter for over 30 years, with extensive experience in the international markets
  - Mary Taylor is the former insurance commissioner of the State of Ohio and a Certified Public Accountant
- updated our **Board refreshment policy**
  - **mandatory retirement** at age 75 (directors as of June 1, 2022 grandfathered to age 80)
  - **12-year term limit** (policy effective June 2022)
- added **individual director self-assessments** to annual governance tasks to better assess board and individual performance
- adopted **Stock Ownership Guidelines** for our directors, Chief Executive Officer and other Section 16 officers
- adopted a **Director Resignation Policy** for uncontested elections

ITEMS OF BUSINESS AT OUR 2022 ANNUAL MEETING OF SHAREHOLDERS

The following table summarizes the proposals to be voted upon at the 2022 Annual Meeting of Shareholders (the "Annual Meeting") to be held on June 7, 2022 at 10:00 a.m. Central Time at our headquarters in Austin, Texas, and the Board's voting recommendation with respect to each proposal.

	PROPOSAL 1	VOTING STANDARD	OUR BOARD'S RECOMMENDATION	READ MORE STARTING ON PAGE…
1.	**Election of Directors**	**Majority of Votes Cast**	**FOR each Nominee**	**14**

NAME	AGE	PRINCIPAL OCCUPATION and RELEVANT EXPERIENCE	DIRECTOR SINCE	INDEPENDENT
Gerald W. Shields	64	Citizens' Chief Executive Officer and President; Vice-Chairman of the Board	2017	**No**
Christopher W. Claus	61	Retired financial and investment executive USAA of San Antonio	2017	**Yes**
Cynthia H. Davis	56	Life Insurance underwriter at NFP Corp. / Partners Financial	2021	**Yes**
Jerry D. Davis, Jr.	71	Chairman of the Board; Retired life insurance company CEO and Chairman	2017	**Yes**
Francis A. Keating II	78	Chairman of the Board of Regents, University of Oklahoma; Former Governor of Oklahoma; Former President and CEO, American Council of Life Insurers; Former President and CEO, American Bankers Association; Former Partner at Holland & Knight LLP	2017	**Yes**
Dr. Terry S. Maness	72	Dean at Baylor University's Hankamer School of Business; Former Chairman of the Department of Finance, Insurance and Real Estate at Baylor University	2011	**Yes**
J. Keith Morgan	71	Retired senior legal executive; Former Chief Legal Officer at TIAA-CREF Life Insurance Co.	2021	**Yes**
Dr. Robert B. Sloan, Jr.	73	President and Chief Executive Officer at Houston Baptist University	2007	**Yes**
Mary Taylor	56	Vice President, Operations and Finance at Northeast Ohio Medical University; CPA; former Lieutenant Governor of Ohio and former Director of the Ohio Department of Insurance	2021	**Yes**

The current size of the Board is 10 members. Pursuant to our Director refreshment policy, Dean Gage is retiring as of the date of the Annual Meeting. The Board does not currently anticipate filling the vacancy created by Dean Gage's retirement but plans to reduce the size of the Board to 9 members as of the date of the Annual Meeting. Proxies cannot be voted for a greater number of persons than the number of nominees named herein.

	PROPOSAL 2	VOTING STANDARD	OUR BOARD'S RECOMMENDATION	READ MORE STARTING ON PAGE…
2.	**Ratify the Appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2022**	**Majority of Votes Cast**	**FOR**	**26**

Grant Thornton LLP is an independent registered public accounting firm with significant expertise and reasonable fees.

	PROPOSAL 3	VOTING STANDARD	OUR BOARD'S RECOMMENDATION	READ MORE STARTING ON PAGE…
3.	**Advisory Vote to Approve Executive Compensation**	**Majority of Votes Cast**	**FOR**	30

COMPENSATION BEST PRACTICES

Since the death of our founder, Harold E. Riley, in 2017, our Compensation Committee has taken, and continues to take, critical steps to enhance our executive compensation program and move towards market best practices and **pay-for-performance**. The following table summarizes some highlights of our compensation practices that drive our named executive officer compensation program:

WHAT WE DO	WHAT WE DON'T DO
* Align our executive pay with performance * Set quantifiable performance objectives that incentivize executives to drive revenue and improve profitability * Annual restricted stock unit ("RSU") grants to executive officers require achievement of performance goals to receive, then vest over 3 year * Change-in-control severance limited to 2x salary and annual cash incentive pay for CEO and 6 months' salary and annual cash incentive pay for other executive officers * Stock ownership guidelines * Annual say-on-pay advisory vote * Performance-based compensation clawback policy * Engage independent compensation consultant * Benchmark executive compensation against competitive market practices	– While the Company is party to an employment contract with the Chief Executive Officer (2 year term with annual 1 year renewal), it does not provide guaranteed salary increases nor non-performance bonus arrangements – No "single trigger" change-in-control payout provisions – No hedging, short sales or pledging of shares by directors or officers – No supplemental executive retirement plan – Limited perquisites

	PROPOSAL 4	
4.	**Transact such Other Business as May Properly Come Before the Annual Meeting or at any Postponement of Adjournment thereof**	Should any other business come before the Annual Meeting, the persons named in the proxy will vote on such business based on their best judgment and discretion. At this time, management is not aware of and does not expect any other matters to be raised at the Annual Meeting.

HOW TO VOTE

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the Annual Meeting, we encourage you to submit your proxy or voting instructions as soon as possible. Shareholders of record may vote using any of the following methods:

VOTE IN ADVANCE. Votes submitted in advance must be received by 11:59 p.m. Eastern Time on June 6, 2022. You may vote in advance by any of the following methods:

ONLINE:

Go to http://www.envisionreports.com/cia or scan the QR code. Login details are located on your proxy card.

BY TELEPHONE: **Call toll-free 1-800-652-VOTE (8683)** within the USA, U.S. territories and Canada.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the recorded message provides you

BY MAIL: If you requested printed copies of the proxy materials by mail, you will receive a proxy card, and you may vote by marking, signing and dating your proxy card and returning it in the postage-paid envelope provided by 11:59 p.m. Eastern Daylight Time on June 6, 2022. The named proxies will vote your stock according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your stock in favor of the proposals.

VOTE AT THE MEETING

IN PERSON: You may vote in person at the Annual Meeting. If you are a beneficial owner of our shares (i.e, your stock is held in the name of a bank, broker or other holder of record), admission is based on proof of ownership, such as a recent brokerage statement and voting in person requires you to obtain a proxy, executed in your favor, by such bank, broker or other holder to be able to vote at the Annual Meeting.

If your shares are held in a bank or brokerage account, your bank or broker will provide you with materials and instructions for voting your shares. Please check with your bank or broker and follow the voting procedures they provide to vote your shares.

If you have any questions or require assistance with voting your shares, you may also contact Alliance Advisors, LLC at 200 Broadacres Drive, Bloomfield, New Jersey 07003. Shareholders may call toll free: **1-800-574-5928.**

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PROXY STATEMENT

The Board of Directors (the “Board”) of Citizens, Inc. (the “Company”) is furnishing you this Proxy Statement to solicit proxies on its behalf for the items to be voted at the 2022 Annual Meeting of Shareholders (“Annual Meeting”).

Date: **Tuesday, June 7, 2022**
Time: **10:00 a.m. Central Time**
Place: **The Company’s principal executive office at**
11815 Alterra Parkway, Suite 1500
Austin, Texas 78758

The proxies also may be voted at any adjournments or postponements of the Annual Meeting.

The Board is first furnishing the proxy materials to holders of the Company’s Class A common stock on or about April 25, 2022.

All properly executed written proxies and all properly completed proxies submitted by Internet, telephone or mail that are delivered pursuant to this solicitation will be voted at the Annual Meeting in accordance with the directions given in the proxy unless the proxy is revoked prior to completion of voting at the Annual Meeting. Voting by proxy will not limit your right to vote at the Annual Meeting if you later decide to attend in person. Other than the approval of the items of business listed above, we do not anticipate that any other matters will be raised at the Annual Meeting.

Only owners of record of shares of Class A common stock as of the close of business on April 12, 2022, the Record Date, are entitled to notice of, and to vote at, the Annual Meeting or at any adjournments or postponements thereof. Each shareholder of record on the Record Date is entitled to one vote for each share of Class A common stock held by such shareholder on all matters coming before the Annual Meeting. As of close of business on the Record Date, there were 50,428,935 shares of Class A common stock issued and outstanding and entitled to vote at the Annual Meeting.

We intend to hold our Annual Meeting in person. However, we are actively monitoring the coronavirus (COVID-19) situation. We are sensitive to the public health and travel concerns that our shareholders may have and the protocols that federal, state and local governments may impose. In the event it is not possible or advisable to hold the Annual Meeting in person, we will announce alternative meeting arrangements, which may include changing the location of the meeting or holding a virtual meeting solely by means of remote communication online, as promptly as practicable. You are encouraged to monitor our investor relations website at *https://www.citizensinc.com/investors-investor-information* for any updated information about the Annual Meeting.

OUR FOCUS ON ESG

We believe that creating long-term value for our shareholders implicitly requires enacting and executing sustainable business practices and strategies that, while delivering competitive returns and executing on our strategic initiatives, also take into account Environment, Social and Governance (ESG) issues. Our Board plays a pivotal role in ESG, with oversight of all elements of the programs.

We focus on the following areas of ESG:

GOVERNANCE	SOCIAL	ENVIRONMENT
Shareholder Voting Rights	Pay Equity	Environmental Stewardship
Executive Compensation	Employee Engagement	Responsible Investing
Risk Oversight	Diversity & Inclusion	
Board Composition and Independence	Talent Attraction & Retention (learning and training)	
	Employee Wellness	

OUR COMMITMENT TO GOOD CORPORATE GOVERNANCE

Good corporate governance is a key element of our ESG focus. While the Board is responsible for providing oversight over governance, social and environmental issues, its key priority is ensuring that it functions well and that our management team (to whom the Board has delegated the authority to manage the day-to-day operations of the Company) functions well, and that the Board understands and provides guidance with respect to key risks that might affect our Company and shareholders. Below is a Governance Summary which highlights our governance practices.

GOVERNANCE SUMMARY

Highly Independent and Diverse Board	■ Our CEO is the only non-independent director ■ We elected **two women** to the Board in 2021 ■ All Board **committees** are composed **entirely** of **independent directors** ■ We have adopted **a heightened standard of director independence** - an independent director may only receive up to $25,000 in consulting fees or other income from the Company outside of Board compensation ■ Independent directors hold executive sessions at least three times per year without management present ■ Directors bring a wide array of qualifications, skills and attributes to our Board; *see* Director Nominees beginning on page 16
Independent Board Chair	■ Independent Board Chair structure provides effective checks and balances to ensure the **exercise of independent judgment** by the Board
Board Refreshment	■ **3 of our 9** director nominees were first elected in **2021** ■ **7 of our 9** director nominees have been elected in the **past 5 years** ■ **Mandatory retirement** age at 75 (any director as of June 1, 2022 grandfathered to age 80) ■ **12-year term limit** (policy effective June 2022)
Director Accountability	■ Over 75% average director attendance rate at Board and committee meetings in 2021 ■ **Comprehensive orientation** for three new directors in 2021 ■ Annual Board and committee self-evaluations and starting in 2022, individual director assessments ■ **Director Resignation Policy**
Shareholder Voting Rights	■ Holders of our Class A common stock elect **all** directors **annually** (no staggered board; no dual classes of outstanding voting stock)
Executive Compensation Practices	■ We have an **annual "say on pay"** advisory vote. In 2021, **76%** of our shareholders voted in favor of "say on pay" ■ **Stock Ownership Guidelines**
No Hedging or Pledging Company Stock	■ Our directors and officers are **prohibited** from entering into **hedging** transactions or **pledging** the Company's securities
ERM and ESG	■ Our Board and Audit Committee oversee our Enterprise Risk Management (ERM) program and Environmental, Social and Governance (ESG) matters
NYSE Listing Standards	■ As of the date of this Proxy Statement, we are in compliance with all applicable NYSE listing standards

Key Corporate Governance Documents

- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
  - Includes our Insider Trading Policy
- Committee Charters
- Stock Ownership Guidelines
- Director Resignation Policy

The documents listed above are available in the Investors – Corporate Governance section of our website at https://www.citizensinc.com/english-investors-corporate-governance. Printed copies of all of these documents are also available free of charge upon written request to our Secretary, at Citizens, Inc. Attn: Secretary, P. O. Box 149151, Austin, Texas 78714-9151.

The Key Corporate Governance Documents, together with our Articles of Incorporation and our Bylaws, form the governance framework for the Board and its committees. We believe good governance strengthens the Board and management's accountability. The Board regularly (and at least annually) reviews its Corporate Governance Guidelines and other corporate governance documents and from time to time revises them when it believes it serves the interests of the Company and its shareholders to do so and in response to feedback from shareholders, changing regulatory and governance requirements and best practices.

OUR CULTURE OF RESPONSIBILITY AND ETHICS

As part of our commitment to ESG, we maintain an active ethics program. Our ethics program is rooted in our seven core values:

INTEGRITY	We will build trust through fair, honest and ethical relationships by adhering to a strong moral compass.
PERSEVERANCE	We will steadfastly pursue our mission despite obstacles, difficulties or delays in achieving success.
EXCELLENCE	We deliberately pursue high standards and are committed to achieving higher standards.
SELFLESS SERVICE	We promote the assistance of others, not for personal gain, but for the enhancement of others.
LEADERSHIP	We identify and take ownership of our areas of influence; guiding, developing and mentoring others along the way.
ACCOUNTABILITY	We are responsible for our actions and we accept the outcome of those actions.
COMMITMENT	With dedication we pursue this mission, vision and core values to bring success to our employees, policyholders, shareholders, agents and associates.

Our Board, officers and employees are obligated to adhere to our core values. In that way, we can ensure that we continue to be good stewards of the investments in us by our shareholders, employees, policyholders and independent consultants.

Our Code of Business Conduct and Ethics ("Code of Ethics") forms the core of our ethics program and provides general statements of our expectations regarding ethical standards we expect our directors, officers and employees to adhere to while acting on our behalf. The Code of Ethics protects our shareholders by prohibiting conflicts of interest and usurping of corporate opportunities, as well as by protecting the Company's information and assets and requiring fair dealing. If the Board grants any waivers from our Code of Ethics to any of our directors or executive officers, or if we amend our Code of Ethics, we will, as required, disclose these matters on a timely basis.

Additionally, our ethics program includes monitoring of the corruption risks that are most applicable to our industry and company, including anti-money laundering ("AML") and anti-bribery. To that extent, our Board has direct oversight of the AML program, which is managed by the Vice President of Compliance. Our AML policy requires that all employees and independent agents who sell our products participate in annual AML training. Our AML program has is audited by an external, independent third-party and, in 2021, no deficiencies were found.

SOCIAL MATTERS MATTER

Our Company revolves around people. We insure people's lives. We believe in always doing the right thing for our customers, our employees and agents, our shareholders and our community.

Empowering and Engaging Our People

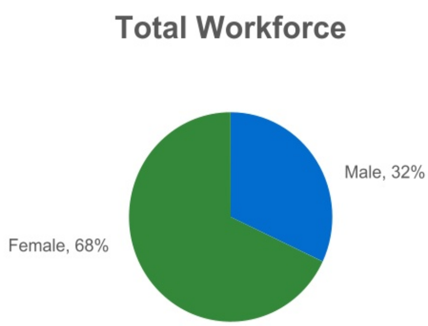
The Company's focus continues to be fostering a culture that provides equal opportunity for all, and is inclusive and attractive for all of our employees and independent sales agents. Below are some of the key initiatives that we have undertaken to foster such an environment.

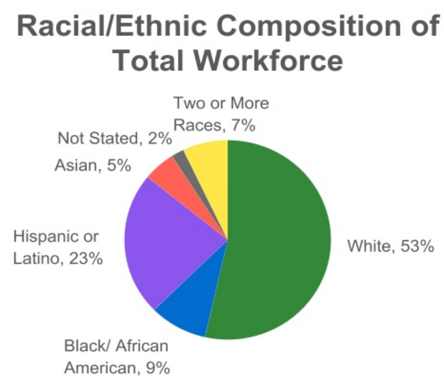
Pay Equity. We are committed to provide a fair or living wage for all employees. In 2021, the Company's outside counsel performed a pay equity audit and concluded that neither gender nor race drive or predict compensation.

Culture of Engagement. We have town hall meetings at least quarterly where all employees are invited to listen to updates from management on results and key initiatives, as well as ask questions. Confidential surveys are provided to employees after each town hall to give our employees the opportunity to provide feedback and suggest additional topics. Additionally, our compliance officer meets regularly with employees to determine whether they have any concerns with compliance, ethics or fraud, or any other general concerns regarding the Company. Through these surveys and one-on-one meetings, we are able to identify opportunities for improvement, and to create action plans based on feedback as appropriate.

Culture of Diversity and Inclusion. The Company continues to prioritize our efforts in creating and sustaining a culture of diversity and inclusion. The Company derives a great deal of strength from our diverse workforce. Additionally, in 2021, our Board elected two new women and a woman was appointed as our Chief Legal Officer.

The pie charts below illustrate the gender, racial and ethnic make-up of our total employee workforce as of December 31, 2021:





Culture of Wellness. We are committed to helping our employees have the opportunity to live healthy and active lives. To help ensure the health of our employees, we provide them with a comprehensive benefits package that includes health insurance, dental and vision insurance, fitness center access and wellness programs. We offer a discount on employee contributions towards health costs for employees who complete an annual wellness exam. Additionally, in response to the ongoing COVID-19 pandemic, we have decided to offer a permanent hybrid working environment, where certain employees can work part-time in the office and part-time at home. We follow government mandates and suggestions, including vaccine and mask requirements, in order to ensure the safety of our employees.

Culture of Learning and Training. At the Company, we believe in continuous learning. We offer industry specific training (such as anti-money laundering training, which is required for all employees, and we pay for LOMA education courses), as well as routine training on information security.

FOCUS ON THE ENVIRONMENT

Environmental Stewardship. We are committed to operating in an environmentally responsible manner and strive to be a good steward of the environment. We are headquartered in Austin, Texas, one of the United States' "greenest" cities. In 2020 we moved into a new leased headquarter building, which was designed to be highly energy efficient and has achieved LEED Gold Certification. The building is outfitted with LED lighting and motion detecting light sensors that help reduce unnecessary energy consumption. As a participant in the Austin Energy Green Building Program, the building was designed and built in a manner that reduced the impact of construction on the environment and utilized materials sourced locally. In addition, the landscaping was designed with native grasses and plants to minimize the use of irrigation and the office has refillable water stations to save use of plastic.

Reducing the amount of paper we use is another key focus for us. In 2021, our Home Service Insurance segment revitalized its product offerings and moved from 100% paper applications to use of an online portal application for its new products. In our Life Insurance segment, over 95% of our applications were electronic in 2021. Additionally, we continually monitor our office operations for opportunities to reduce or eliminate the use of paper, including by using electronic signature and distribution software for our policyholders, agents and standard documents. Updated payment processing systems eliminate the need for our policyholders to mail their checks to us, which helps not only reduce paper usage, but also air and road transportation use that might negatively impact our environment.

These efforts help us reduce our carbon footprint in an effort to be good stewards of the environment.

Responsible Investing. In addition to financial considerations and prudent diversification, we evaluate ESG criteria when making investment decisions for our investment portfolio. We believe that good governance practices and a commitment to corporate responsibility can enhance investment opportunities and meaningfully affect investment performance. We also believe long-term sustainability concerns impact both investors and society and thus should be considered when making investment decisions. We made our first investment in a private equity fund focused on global renewal power generation (wind and solar energy) in 2020 and will continue to seek other responsible investing opportunities in the future.

BOARD MATTERS

THE BOARD IS PRIMARILY RESPONSIBLE FOR:

- Overseeing Citizens' strategic initiatives, overall performance and direction
- Overseeing risk, cybersecurity and internal controls
- Overseeing investment of the Company's assets
- Monitoring executive performance, compensation and succession planning
- Establishing broad corporate policies, including in relation to organizational development, governance, and corporate social responsibility

THE BOARD'S ROLES AND RESPONSIBILITIES

RISK OVERSIGHT

Effective risk oversight is an important priority for the Board. Our enterprise risk management (ERM) function identifies and manages the Company's key risks. The process starts with our executive management team, who identifies key strategic, financial and operational risks to the Company (collectively, the "Enterprise Risks") and manages the Enterprise Risks on a day-to-day basis. On a quarterly basis, the management team reviews and discusses the Enterprise Risks with the Audit Committee, whose charter gives it oversight of the guidelines and policies that govern the ERM process. Although risk oversight is conducted primarily through the Audit Committee, in certain areas described below, other committees of the Board have responsibility (e.g., the Compensation Committee for compensation risk) and the full Board has responsibility for general oversight of the ERM process and Enterprise Risks. The Board satisfies this responsibility through full reports by each committee chair regarding the committees' considerations and actions, as well as through regular reports directly from executive officers responsible for oversight of particular Enterprise Risks within the Company.

Selected Area of ERM Oversight in 2021

Key Enterprise Risks discussed among executive management, the Audit Committee and the Board during 2021 included the following:

- Mortality risks (both COVID and non-COVID deaths)
- The impact of surrenders on the Company's operations and the Company's initiatives to retain policies
- The low interest-rate environment and its impact on the Company's investments
- Risks to the Company's strategic goals, including risks related to first year sales both internationally and domestically
- Catastrophic events that impacted the Company, especially as related to climate change, such as Hurricane Ida in 2021
- Regulatory risk related primarily to the Company's international operations
- Operational risks related to the transformation of the Home Services Insurance business
- Financial risks related to the statutory capital ratios of the insurance subsidiaries
- Information and data security risks
- Anti-money laundering risks

Discussions of these topics can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on March 11, 2022.

While the Audit Committee has primary responsibility for overseeing the Company's ERM function, the other committees of the Board consider risks within their areas of responsibility and apprise the Board of significant risks and management's response to those risks. For example, the Compensation Committee considers the risks that may be presented by our executive compensation philosophy and programs, and the Nominating and Corporate Governance Committee oversees the Company's governance practices, director succession, committee composition and leadership to manage risks associated with corporate governance. The Investment Committee oversees risks related to the Company's assets and investment portfolio.

Oversight of Information Security Risk and Cybersecurity

Because we gather and maintain confidential and personal data on our information systems for the purpose of conducting our insurance subsidiaries' operations, the Board considers Information Security and cybersecurity to be key Enterprise Risks. The Audit Committee and the Board evaluate the adequacy and appropriateness of the Company's Information Security program and controls. The Board and Audit Committee both receive regular reports from and engage with the Information Security officer and other management personnel on key risk areas and related mitigation and control efforts related to Information Security and cybersecurity.

The Company's Information Security officer provides executive direction with respect to implementation of the Company's Information Security program throughout the organization. This officer reviews risks associated with the confidentiality, integrity, and availability of critical business systems and sensitive customer and Company data. In conjunction with our Vice Presidents of IT and of Compliance, the Information Security officer conducts risk assessments that measure the likelihood and probable impact of information security events that could adversely affect the Company's operations, finances and reputation. Quarterly updates are provided to the Audit Committee and updates are provided to the Board at each of its regular meetings on changes to cybersecurity and privacy regulations, top threats facing the Company and key risks and mitigation efforts. The Chair of the Audit Committee also provides quarterly reports to the full Board on any material information security topics presented to the Audit Committee.

While the Board and management personnel set the tone for the Company's Information Security program, the Company has a robust information security training and compliance program. All employees receive annual training on Information Security, and our IT department has implemented a security risk awareness program to help the Company's employees learn how to maintain sound security practices.

PROPOSAL NO. 1:
ELECTION OF DIRECTORS

What Am I Voting On?

Holders of Class A common stock are being asked to elect nine directors to serve until the next annual meeting of shareholders, or until their respective successors are duly elected and qualified.

Voting Recommendation: FOR

The Board and the Nominating and Corporate Governance Committee believe the skills, qualities, attributes, and experience of our directors provide the Company with business acumen and a diverse range of perspectives to engage each other and management to effectively address the Company's evolving needs and represent the best interests of the Company's shareholders.

Voting Standard:

Director nominees receiving the highest number of votes cast by Class A shareholders in their favor will be elected to the Board. Cumulative voting in the election of directors is not permitted and proxies cannot be voted for a greater number of persons than the number of nominees named herein. Under our Director Resignation Policy, if a director receives more "withhold" votes than "for" votes, such director will be required to submit his or her resignation for Board consideration.

Abstentions and broker non-votes will be disregarded and have no impact on the vote, other than for establishing a quorum.

Each of the director nominees has consented to serving as a nominee, being named in this Proxy Statement, and serving on the Board if elected. If for any reason any nominee herein named is not a candidate when the election takes place (which is not expected), the proxy will be voted for the election of a substitute nominee at the discretion of the persons named in the proxy.

BOARD SELECTION

Responsibility for Selection of Director Candidates

The Board is responsible for selecting director candidates to stand for election by shareholders. The Board has delegated the screening process for potential directors to the Nominating and Corporate Governance Committee, which identifies, interviews and recruits candidates for the Board. Upon identifying suitable potential Board members, the Nominating and Corporate Governance Committee then recommends individuals qualified to become Board members to the Board for its consideration.

Qualification Standards for Directors

The Nominating and Corporate Governance Committee considers director nominees who are recommended by its members, by other Board members, by management or by shareholders, as well as those identified by third parties known to the members or management. In evaluating potential nominees to the Board, the Nominating and Corporate Governance Committee has adopted standards related to the qualifications of directors of the Company (the "Director Standards"). The Director Standards include, without limitation, independence, character and core values, ability to exercise sound judgment, diversity, demonstrated leadership, and relevant skills and experience in the areas of corporate needs of the Company such as insurance regulation, insurance distribution, finance and accounting, and public company experience.

The Board discusses and promotes efforts to enhance diversity in its Board composition. The Board is committed to diversity and in 2021, added two female directors, both with extensive insurance industry experience. The Board views diversity in the context of the following factors: age, race, gender and ethnicity, geographic knowledge, industry experience, board tenure and culture.

Nominations by Shareholders

Our Board has a policy to consider properly submitted shareholder recommendations for candidates for a director position, which candidates must satisfy the Committee Standards. A shareholder wishing to propose a candidate for the Board's consideration should follow the procedures in our Bylaws pertaining to shareholder nominations and proposals.

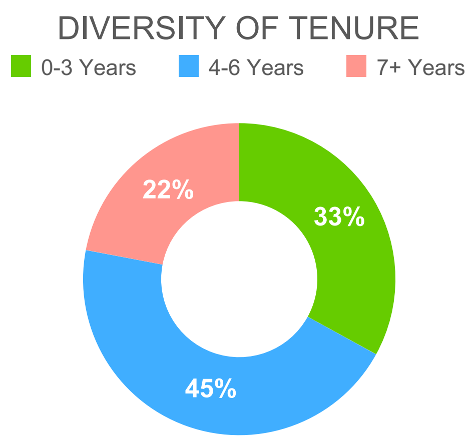
BOARD REFRESHMENT

- **3 new directors in 2021**
- **7 new directors since 2017**

The Company is focused on active board refreshment and continually evaluates the composition of the Board to ensure that it has the right balance of skills, experience, perspective, and rigorous oversight through independent judgment.

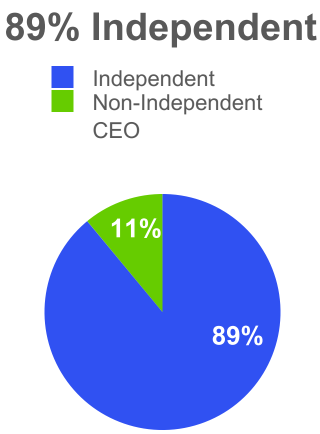
In order to encourage refreshment, facilitate an orderly transition of legacy board members, increase diversity and expertise / experience in areas of need, the Board has adopted a Board Refreshment and Replacement Plan. Pursuant to the plan:

- Dean Gage, who has served on the Board since 2000, is retiring at the 2022 Annual Meeting; and
- Another "legacy" board member (elected prior to 2017) will retire at the 2023 Annual Meeting.



The Board does not currently anticipate filling the vacancy created by Dean Gage's retirement but instead plans to reduce the size of the Board to 9 members as of the date of the 2022 Annual Meeting. The Nominating and Corporate Governance Committee continues to search for members that bring additional diversity to our Board, including racial or ethnic diversity.

DIRECTOR INDEPENDENCE



It is the policy of the Company that the Board consist of a majority of independent directors. The Board determines whether a director or nominee is "independent" in accordance with the NYSE Listed Company Manual, which requires an affirmative determination that each independent director has no material relationship with the Company or its affiliates or any executive officer of the Company or his or her affiliates that in the judgment of the Board would impair their effectiveness or independent judgment as a director.

In addition to the standards contained in the NYSE Listed Company Manual, the Board has determined that in order to be deemed independent, a director may not receive more than $25,000 in consulting fees or other income from the Company, other than director fees (the "Enhanced Independence Standards").

The Board has determined that all current Board members and nominees, other than Mr. Shields, our Chief Executive Officer, are independent as set forth under the NYSE Listed Company Manual independence requirements and under our Enhanced Independence Standards.

DIRECTOR NOMINEES

The Company's Board consists of a diverse group of leaders in their respective fields and almost all have extensive experience in the life insurance industry. In these positions, they have gained broad management and industry experience, including strategic planning, business development, compliance, risk management, and leadership development. In addition, some of our directors have experience serving as executive officers, or on boards of directors, of other public or private companies where they have gained experience in governance and compensation matters. Two of our directors are former elected officials who had oversight for insurance responsibilities in their elected roles, and thus bring unique perspectives to the Board.

Gerald W. Shields, 64

Citizens' Chief Executive Officer and President since January 1, 2022; served as Interim Chief Executive Officer and President from August 2020 through December 31, 2021

Director since 2017; Vice-Chairman of the Board since February 2020

Other Current Public Boards: 0

Certifications: FLMI

Education: B.A. - Accounting and Computer Science, Baylor University

Mr. Shields, our Chief Executive Officer and President, is a seasoned life insurance executive who brings life insurance and information technology experience to our Board. He has more than 30 years' experience in health insurance management, as well as professional certifications from Harvard University's Kennedy School of Government, Massachusetts Institute of Technology's Chief Network Officers Program, and Aubrey Daniels International. He has been named twice in CIO Magazine's Top 100 CIOs of the Year and has also been the recipient of ComputerWorld's Top 100 CIO Award.

Prior to Citizens, Mr. Shields served as Chief Information Officer at FirstCare Health Plans from July 2015 to October 2018, and as Senior Vice President and Chief Information Officer at American Family Life Assurance Company of New York from 2002 to 2011.

Mr. Shields' significant technology and insurance experience are instrumental to the Board's oversight as the Company advances its strategic technology objectives. Mr. Shields recently completed the Cyber Security Oversight Certificate from Carnegie Mellon Institute.

Christopher W. Claus, 61
Independent Director

Retired executive of USAA of San Antonio

Director since 2017

Committees: Investment Committee (Chair), Compensation Committee, Executive Committee

Other Current Public Boards: 1 (TrueCar, Inc.)

Education: B.A. - Business, University of Minnesota - Duluth
M.B.A. – University of St. Thomas

Mr. Claus had a 20-year career as an executive at USAA of San Antonio, Texas serving in various roles, including Executive Vice President of USAA's Enterprise Advice Group from 2013 to 2014, President of USAA's Financial Advice and Solutions Group from 2007 to 2013, and President of USAA's Investment Management Company from 2001 to 2006.

Mr. Claus is an experienced executive with insurance and asset management expertise critical to the success of our Board. In his role as Chairman of our Investment Committee, Mr. Claus has strengthened the Board's oversight of the Company's assets under management. Further, having served as President of USAA's Investment Management Company, Mr. Claus strengthens the Board's oversight function of our executive team's strategic initiatives.

Cynthia H. Davis, 56
Independent Director

Life Insurance Underwriter at NFP Corp. / Partners Financial

Director since 2021

Committees: Nominating and Corporate Governance Committee

Other Current Public Boards: 0

Certifications: FLMI, FALU, LOMA certified Associate - Customer Service

Education: B.A. – Economics, University of Georgia

Ms. Davis is a seasoned executive in the life insurance industry with over 30 years of underwriting in both the carrier and brokerage side. She is currently the Vice President and Senior Underwriting Consultant at NFP/Partners Financial providing underwriting expertise specializing in complex high net worth cases, foreign nationals and offshore insurance. Previously, Ms. Davis was the Chief Underwriter at Financial Industries Corporation (FIC) and Great American. Ms. Davis is also involved with the Texas Wide Underwriting planning board.

Ms. Davis' brings to the Board deep knowledge of the insurance industry, which she developed during her long and successful career in the life insurance industry. With significant global experience with both reinsurers and high net worth foreign insureds, she adds valuable and unique expertise to our Board.

Jerry D. “Chip” Davis, 71
Independent Director

Retired life insurance company CEO - National Farm Life Insurance Company

Director since 2017; Chairman of the Board since February 2020

Committees: Compensation Committee, Executive Committee, Investment Committee

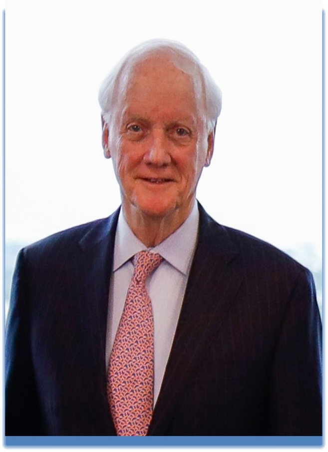
Other Current Public Boards: 0

Certifications: FLMI

Education: B.S. – Business, Tarleton State
Masters – Business Administration – Tarleton State University

Mr. Davis is a seasoned and proven life insurance executive, having had a 43-year insurance career with National Farm Life Insurance Company (“NFLIC”). Mr. Davis began his career with NFLIC as a Mortgage Loan officer in 1977 and become Senior Vice President and Chief Investment Officer in 1981. He served as President and Chief Executive Officer of NFLIC from 2004 to January 2016. Mr. Davis has served on the board of NFLIC since 2004 and currently serves as chairman.

Mr. Davis’ career as a life insurance executive and service as Chief Investment Officer of a life insurance company brings tremendous experience to our Board and Investment Committee. Specifically, he has experience dealing with state insurance regulators and auditors. His service as as Chief Investment Officer of NFLIC strengthens the investment Committee’s oversight of the Company’s assets under management.



Francis A. “Frank” Keating, II, 78
Independent Director

Chairman of the Board of Regents of the University of Oklahoma

Director since 2017

Committees: Nominating and Corporate Governance Committee (Chair)

Other Current Public Boards: 1 (BancFirst Corporation)

Education: B.A. – History, Georgetown University
J.D. – University of Oklahoma College of Law

Governor Keating is the former Governor of the State of Oklahoma, a position in which he served from 1995 to 2003. More recently, he was as a partner at the law firm of Holland & Knight from February 2016 to December 2018. He served as President and Chief Executive Officer of the American Bankers Association from 2011 to 2016, and President and Chief Executive Officer of the American Council of Life Insurers, the trade association for the life insurance and retirement security industry, from 2003 to 2011.

Mr. Keating has held significant leadership positions in both the public and private sectors, which make him a valuable addition to our Board. In addition to serving as the Governor of Oklahoma, his impressive career included serving as assistant secretary of the Treasury and associate attorney general under President Ronald Reagan. He was later general counsel and acting deputy secretary for the Department of Housing and Urban Development (“HUD”) under President George H.W. Bush. During his tenure at the Treasury Department and HUD, he worked on significant issues affecting insurance, banking, and the financial services industries. In addition to his current public board, Gov. Keating formerly served on the board of Stewart Title Company, a wholly-owned subsidiary of Stewart Information Services Corp., a publicly held title insurance and real estate services company, from 2006 to January 2017, where he chaired the Nominations and Corporate Governance Committee.

Mr. Keating's impressive legal and public service career further strengthens our Board's governance and oversight function. Further, his background as Chief Executive Officer of the American Council of Life Insurers, the preeminent advocacy group for life insurance companies, brings life insurance industry experience and connections to our Board.

Dr. Terry S. Maness, 73
Independent Director

Dean at Baylor University's Hankamer School of Business

Director since 2011

Committees: Audit Committee (Chair)

Other Current Public Boards: 0

Certifications: Certified Cash Manager

Education: B.A. and M.S. – Economics, Baylor University
M.B.A. and Doctor of Business Administration – Indiana University

Dr. Maness has served as Dean at Baylor University's Hankamer School of Business since 1997 and will be named Dean Emeritus upon his retirement effective August 1, 2022. Previously, Dr. Maness served as Acting Dean at Baylor University from 1996 to 1997, Associate Dean for Undergraduate Programs at Baylor University from 1978 to 1981 and Chairman of the Department of Finance, Insurance and Real Estate at Baylor University from 1985 to 1996. Dr. Maness is an owner of Business Value Consultants and has owned such company since 1989.

Dr. Maness' background as Dean of one of America's leading business schools brings a strong academic presence to our board. He has operated effectively at the highest levels in the academic and business community. He is the author of five books about financial analysis and financial management, and also a contributing author to various publications, such as *Journal of Finance*, *Journal of Banking and Finance*, *Journal of Financial Education*, *Journal of Portfolio Management*, *Journal of Financial and Quantitative Analysis*, *Journal of Futures Markets*, *Journal of Cash Management* and *Corporate Controller*.

J. Keith Morgan, 71
Independent Director

Retired senior legal executive; Former Chief Legal Officer at TIAA-CREF

Director since 2021

Committees: Investment Committee

Other Current Public Boards: 0

Education: B.A. – Economics, Duke University
J.D., University of Virginia Law School

Military Veteran

Mr. Morgan has decades of experience as a senior legal executive, most recently (2015 - 2018) as Chief Legal Officer & Senior Executive VP at TIAA-CREF, a $1 trillion retirement, insurance and asset management company. Mr. Morgan specializes in securities law, financial regulation, international transactions and mergers and acquisitions. Prior to TIAA-CREF, he spent nearly 20 years at GE, serving as general counsel and senior vice president of GE Commercial Finance Ltd. and GE Capital Corporation. Before joining GE, Mr. Morgan served as the managing partner of Gibson, Dunn & Crutcher's London, Paris, and Saudi Arabia offices. Earlier in his career, he served in the U.S. Navy Judge Advocate General's Corps.

Mr. Morgan's experience as the Chief Legal Officer of major insurance and asset management companies has provided him with a substantive understanding of the risks, including investment risks, related to a highly regulated company such as Citizens.

Dr. Robert B. Sloan, 73
Independent Director

President and Chief Executive Officer at Houston Baptist University

Director since 2007

Committees: Compensation Committee (Chair), Audit Committee, Executive Committee, Nominating and Corporate Governance Committee

Other Current Public Boards: 0

Education: B. A – Psychology and Religion, Baylor University
Master of Divinity – Princeton Theological Seminary
Doctor of Theology – University of Basel, Switzerland

Dr. Sloan has served as President and Chief Executive Officer at Houston Baptist University since 2006. Previously, Dr. Sloan served as Chancellor at Baylor University from 2005 to 2006 and President and Chief Executive Officer at Baylor University from 1995 to 2005. While at Baylor, Dr. Sloan was selected by the Big 12 Athletic Conference board of directors to be Chairman of their Board of Directors, and also convened and was asked to serve as chair of the "Group of Six", a gathering of presidents of the big six athletic conferences. Dr. Sloan was also involved in an ex officio capacity on investment committees both at the foundation level and at the trustee level for the universities that he served.

Dr. Sloan has served as Chief Executive Officer of two major academic institutions and has valuable insight into organizational structure, executive decision-making, financial operations and leadership. His executive management skills and extensive experience with organization strategy and governance provide invaluable insight and guidance to our Board's oversight function.

Mary Taylor, 56
Independent Director

Vice President, Operations and Finance at Northeast Ohio Medical University

Director since 2021

Committees: Audit Committee

Other Current Public Boards: 0

Certifications: CPA

Education: B.S. – Accounting, University of Akron
Master of Taxation, University of Akron

Ms. Taylor is a Certified Public Accountant and recognized tax and auditing expert with over 30 years of experience in the public and private sector. Since February 2020, she has served as the Vice President, Operations and Finance at Northeast Ohio Medical University. During 2019, she served as Executive Vice President and Chief Financial Officer of Welty Building Company and from August 2019 through March 2020 also served as the Chair of the Finance and Operations Advisory Committee.

She has served in the following elected positions:

- 2011 to 2019 - Lieutenant Governor of Ohio
  - Served as the Director of the Ohio Department of Insurance from 2011 to 2017
- 2007 to 2011 - Auditor of State of Ohio
- 2003 to 2006 - State Representative in Ohio
  - Served on the Finance, Ways and Means, and Education Committees

Ms. Taylor has extensive experience in transforming operations, implementing automation in insurance and delivering results in complex tax cases with the IRS and the Department of Labor. Her unique mix of experience gives her a valuable perspective and ability to oversee management's efforts to grow and develop Citizens' business and its interactions with regulators as well as the ability to enhance shareholder value by leveraging her financial and risk management expertise and deep understanding of the insurance business.

BOARD LEADERSHIP STRUCTURE

- ### Separate Chairman and Chief Executive Officer

The Board believes that the best and most effective leadership structure for Citizens and its shareholders at this time is to have separate chief executive officer and chairman roles. This structure allows our Chief Executive Officer to focus his time and energy on operating and managing the Company while enhancing the Board's ability to exercise independent oversight of Citizens' management on behalf of its shareholders.

Jerry D. "Chip" Davis, Jr. has served as the Company's Chairman since February 2020. The Board elected Mr. Davis to serve as Chairman due to his 40+ years' experience in the life insurance industry, including as a leader of a life insurance company. Mr. Davis as an Independent Director.

BOARD MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

The Company's business affairs are conducted under the direction of the Board. The Board met 8 times during 2021, and each director attended or participated in 75% or more of the aggregate of (i) the total number of meetings of the Board held during 2021, and (ii) the total number of meetings held by each committee of the Board on which such director served during 2021. We expect all of our directors to attend our annual meeting of shareholders and all directors serving at the time attended the 2021 annual meeting.

Select officers and employees regularly attend Board meetings to present information on our business and strategy, and Board members have access to our officers and employees outside of Board meetings. Board members are encouraged to make site visits to meet with our employees, and to accept invitations to attend and speak at internal Company meetings.

To promote open discussion, our independent directors hold regularly scheduled executive sessions without management present. These sessions allow the independent directors to review key decisions and discuss matters in a manner independent of management.

To assist it in carrying out its duties, the Board has delegated certain authority to five separately-designated standing committees shown in the table below along with the number of meetings held in 2021. All committees are chaired by and consist entirely of independent directors. The Committee Chairs review and approve agendas for all meetings of their respective Committees.

	Audit Committee	**Compensation Committee**	**Investment Committee**	**Nominating and Corporate Governance Committee**	**Executive Committee**
	4 meetings	*12 meetings*	*4 meetings*	*6 meetings*	*Met by UWC*
Christopher W. Claus		●	🪑		●
Cynthia H. Davis				●	
Jerry D. Davis, Jr.		●	●		🪑
Dr. E. Dean Gage				●	●
Francis A. Keating II				🪑	
Dr. Terry S. Maness	🪑				
J. Keith Morgan			●		
Gerald W. Shields (CEO)					
Dr. Robert B. Sloan, Jr.	●	🪑		●	●
Mary Taylor	●				

The primary responsibilities of each of the committees are defined in its charter (other than the Executive Committee, which does not have a charter) and summarized below. The charters for the Audit, the Compensation and the Nominating and Corporate Governance Committees incorporate the requirements of the U.S. Securities and Exchange Commission (SEC) and the NYSE to the extent applicable. Current, printable versions of these charters are available on Citizens' website at https://www.citizensinc.com/english-investors-corporate-governance.

Audit Committee

The purpose of the Audit Committee is to assist the Board's oversight and monitoring of:

- the Company's accounting and financial reporting processes and the audits of its consolidated financial statements;
- the adequacy of the Company's internal control over financial reporting;
- the integrity of the Company's consolidated financial statements;
- the qualifications and independence of the Company's independent auditor;
- the appointment, retention, performance, and compensation of the Company's independent auditor and the performance of the internal audit function;
- the Company's compliance with legal and regulatory requirements related to matters within the scope of the Committee's responsibilities;
- the Company's enterprise risk management program; and
- any related party transactions.

Audit Committee Financial Expert. The Board has determined that all of the members of the Audit Committee are "financially literate" within the meaning of the NYSE listing standards. In addition, the Board has determined that Dr. Terry S. Maness (Chair) qualifies as an "audit committee financial expert" within the meaning of applicable SEC regulations. For additional information on the Audit Committee's role and its oversight of the Independent Auditor during 2021, see "Audit Committee Report" on page 28.

Compensation Committee

The Compensation Committee is responsible for:

- evaluating and approving director and executive officer compensation, plans and programs;
- reviewing and taking actions with respect to incentive compensation and equity-based plans;
- reviewing market data to assess the competitive position of the Company's director and executive compensation;
- retaining a compensation consultant to assist the committee and the Board in evaluating director and executive officer compensation;
- reviewing, discussing and approving the Compensation Discussion and Analysis for inclusion in the Company's Proxy Statement; and
- evaluating the risks and rewards associated with the Company's compensation policies and practices.

For additional information about the Compensation Committee, see the section entitled "Executive Compensation—Compensation Discussion and Analysis" beginning on page 31.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance committee is responsible for:

- identifying, recruiting and recommending candidates for the Board;
- developing, approving, or recommending to the Board for approval, and assessing, corporate governance policies for the Company;
- overseeing the evaluation of the Board; and
- apprising the Board of corporate governance developments and practices, considering the long-term best interests of the Company's shareholders.

Investment Committee

The Investment Committee is responsible for:

- overseeing the management of the Company's investment activities;
- reviewing the performance of management and engaged investment advisors; and
- ensuring conformance of the Company's investments with the Company's investment guidelines and relevant regulations.

Executive Committee

The Executive Committee exercises the powers of the Board, as needed, in between regularly scheduled Board meetings. The Board then reviews and ratifies the actions of the Executive Committee. In 2021, the Executive Committee did not meet in person but acted by unanimous written consent of the members three times.

SUCCESSION PLANNING

Our Board oversees our Chief Executive Officer succession planning. Gerald W. Shields was appointed Interim Chief Executive Officer on August 5, 2020, upon the resignation of our former Chief Executive Officer, Geoffrey Kolander, in connection with a change-in-control of the Company. From August 2020 and throughout 2021, the Board engaged an independent third party search firm to conduct a search for a new Chief Executive Officer. After interviewing several candidates, the Board appointed Mr. Shields as Chief Executive Officer, effective January 1, 2022.

The Board is in the process of working with Mr. Shields to create a new Chief Executive Officer succession plan, with the goal of hiring a new Chief Executive Officer at the expiration of Mr. Shield's Employment Agreement, which is scheduled for December 31, 2023.

BOARD PROCESSES

BOARD AND COMMITTEE EVALUATION PROCESS

The Board and each committee conduct an annual self-assessment. This evaluation is intended to assess whether the Board and the committees are functioning effectively. As part of this self-assessment, the directors are asked to consider the Board's role, relations with management, composition and meetings. Each committee is asked to consider its role and the responsibilities articulated in the committee's charter, the composition of the committee and the committee meetings. The self-assessment responses and comments are compiled by the Secretary of the Company and presented to the Nominating and Corporate Governance Committee for initial review. The responses and comments are reviewed with each committee and the full Board and are utilized by the Board and each committee to improve their operations and processes.

In early 2022, in preparation for the 2022 Annual Meeting, we began conducting individual assessments of each director as well. Our Chairman and the Chair of the Nominating and Corporate Governance Committee participated on each call with each of the other directors. The purpose of these calls was to get one-on-one feedback of such director's contributions to the Board and follow-up with respect to their Board and committee assessments.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company identifies related persons using known business affiliations, quarterly disclosure meetings and information provided by directors and executive officers in their annual questionnaires.

The Company has in place the following process controls to identify and approve transactions with related persons:

- Management discusses related persons and affiliates as a standing agenda item during each quarterly disclosure meeting. Management requires that any new related person or affiliate transactions or changes to previously identified related party transactions be reported;
- Potential related and affiliated party transactions are reviewed and analyzed at the affiliated entity/ subsidiary level (within the Citizens, Inc. holding company structure) and, if deemed to be affiliated transactions, those transactions are evaluated for consolidated financial reporting purposes as part of quarterly financial reporting and entry support is provided for each transaction; and
- Each director and executive officer completes an annual questionnaire that identifies any related person transactions. These forms are reviewed by the Company's legal counsel and by the Board.

All related person transactions must be approved by the Audit Committee in accordance with the Audit Committee charter.

When a related person transaction is proposed, the Audit Committee reviews: (1) the related person's name and relationship to the Company; (2) the person's interest in the transaction with the Company, including the related person's position or relationship with, or ownership in, a firm, corporation, or other entity that is a party to or has an interest in the transaction; and (3) the approximate dollar value of the amount involved in the transaction, the nature and business purpose of the transaction and the related party's interest in the transaction.

The Company is not aware of any transaction, or series of transactions, since January 1, 2021, or any currently proposed transactions to which the Company or any of its subsidiaries is to be a party, in which the amount involved exceeds $120,000 in a single fiscal year and in which any director, nominee for director, executive officer, 5% shareholder or any member of the immediate family of the foregoing persons had, or will have, a direct or indirect material interest.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Each of Jerry D. Davis, Jr., Dr. Robert B. Sloan, Jr. and Christopher W. Claus served as a member of the Compensation Committee during 2021 and currently serves on the Compensation Committee. None of the members of the Compensation Committee is or has been an executive officer of the Company, nor did any of them have any relationships requiring disclosure by the Company under Item 404 of SEC Regulation S-K. None of the Company's executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, an executive officer of which served as a director of the Company or member of the Compensation Committee during 2021.

COMMUNICATIONS WITH THE BOARD

The Board has established a process to facilitate communication by shareholders and other interested parties with directors. Communications can be addressed to directors in care of the Secretary of the Company at:

Citizens, Inc.
P. O. Box 149151
Austin, TX 78714-9151.

Communications may be distributed to all directors, or to any individual director, as appropriate. At the direction of the Board, all mail received may be opened and screened for security purposes. In addition, items that are unrelated to the duties and responsibilities of the Board shall not be distributed. Such items include but are not limited to: spam; junk mail and mass mailings; product complaints or inquiries; new product suggestions; resumes and other forms of job inquiries; surveys; and business solicitations or advertisements.

In addition, material that is trivial, obscene, unduly hostile, threatening or illegal or similarly unsuitable items will be excluded; however, any communication that is excluded will be made available to any independent, non-employee director upon request.

DIRECTOR COMPENSATION

The following table shows information regarding the compensation earned or paid during 2021 to members of the Board, none of whom were Company employees during 2021.

NAME	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	All Other Compensation ($)	TOTAL ($)
Christopher W. Claus	112,500	10,499	—	122,999
Cynthia H. Davis	43,750	8,748	—	52,498
Jerry D. Davis, Jr.	112,500	10,499	—	122,999
Dr. E. Dean Gage	105,000	10,499	—	115,499
Francis A. Keating	112,500	10,499	—	122,999
Dr. Terry S. Maness	112,500	10,499	—	122,999
J. Keith Morgan	43,750	8,748	—	52,498
Gerald W. Shields (2)	—	10,499	—	10,499
Dr. Robert B. Sloan, Jr.	115,000	10,499	—	125,499
Mary Taylor	43,750	8,748	—	52,498
Constance K. Weaver (3)	43,750	—	—	43,750

(1) The amounts reported in the Stock Awards column reflect the aggregate grant date fair value of awards of RSUs computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC Topic 718"). The grant date fair value is measured based on the closing price of the Company's Class A common stock on the date of grant. See Note 11 to the Company's audited financial statements for the fiscal year ended December 31, 2021, included in the Company's Annual Report on Form 10-K.

Each non-employee director who was elected at our June 2, 2021 annual meeting received an annual director award of 2,023 RSUs on June 2, 2021, the date of the 2021 Annual Meeting of Shareholders. Each of the RSUs will vest one year from the date of grant, June 2, 2022. As of December 31, 2021, each such non-employee director held 2,023 RSUs.

Ms. Davis, Mr. Morgan and Ms. Taylor were each appointed to the Board on August 1, 2021 and each received 1,632 RSUs on that date, reflecting the annual pro-rata amount received by each director elected at the 2021

Annual Meeting. These RSUs will also vest on June 2, 2022. As of December 31, 2021, each of Ms. Davis, Mr. Morgan and Ms. Taylor held 1,632 RSUs.

(2) Mr. Shields was not an employee during 2021. Since the consulting agreement under which he served as our Interim Chief Executive Officer did not provide for any equity compensation, he received his non-employee director RSUs in 2021. The amount reflected in this table is also included in the Summary Compensation Table on page 46.

(3) Ms. Weaver did not stand for re-election to the Board in 2021 due to employment obligations. The amount reported in the Fees Earned or Paid in Cash Column reflects the prorated cash retainer and fees for service as director paid until the expiration of her term, June 1, 2021.

Narrative to the Director Compensation Table

Non-employee directors receive compensation for their service on the Board as follows (amounts are per year, beginning as of the date of election and paid in 24 equal installments throughout the year, subject to continued service):

Annual cash retainer	$105,000
Additional cash retainer for Chair of the Board and Chair of each committee of the Board (per chair)	$10,000
Annual Equity retainer (RSUs)	$10,500

We also provide up to a $5,000 reimbursement to each director for director education. This amount is not reflected in the compensation table above, as we consider it a normal course reimbursement necessary for a director to provide service to the Company. Directors do not receive fees for attending Board or Committee meetings. No other compensation was paid to our non-employee directors.

The annual equity retainer is paid in the form of RSUs, which are granted on the date of each annual meeting of shareholders (each, an “Annual Director Award”). In 2021, the seven non-employee directors who were elected at the annual meeting of stockholders held on June 2, 2021 (Claus, J. Davis, Gage, Keating, Maness, Shields and Sloan), each received 2,023 RSUs. Ms. Davis, Mr. Morgan and Ms. Taylor were each appointed on August 1, 2021 and each received a pro-rated amount of the annual equity retainer, which resulted in an award of 1,632 RSUs. The number of RSUs subject to each Annual Director Award was determined by dividing the awarded annual equity retainer value by the per share closing price of the Company’s Class A common stock on the date of grant and rounding to the nearest whole share. The RSUs have a one-year vesting schedule to coincide with each director's term of office. Upon vesting, the Company will deliver one share of Class A common stock for each RSU.

The Compensation Committee annually reviews each element of and the total compensation of our non-employee director compensation program. During 2021, the Compensation Committee worked with Pearl Meyer, our independent compensation consultants, to evaluate the director compensation program in light of the Company's adoption of a new peer group ("New Peer Group", see discussion in the Compensation Discussion and Analysis below). Pearl Meyer provided the Compensation Committee with an analysis of the competitiveness of the Company's non-employee director compensation program in effect at the time, market observations, and relevant compensation trends and based upon such review determined that our director compensation was below market (at the 10th percentile of the New Peer Group) and that total board cost was also below market (at the 25th percentile). The below-market compensation is due primarily to the low value of the annual equity retainer. Although Pearl Meyer’s recommendations included a phased approach to increasing the annual equity retainer and cash retainers for chair positions in order to bring total non-employee director compensation closer to the median of the New Peer Group, the Compensation Committee determined not to take any action during 2021 due to (i) the larger than average board size, and (ii) the Company’s decrease in available cash on hand from 2020 to 2021 due to the severance payment to Geoffrey Kolander and purchase of the Class B common stock.

AUDIT COMMITTEE MATTERS

PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

What Am I Voting On?

Holders of Class A common stock are being asked to ratify the appointment of Grant Thornton LLP to serve as the Company's independent auditors for the fiscal year ending December 31, 2022.

Voting Recommendation: FOR

Grant Thornton LLP is an independent registered public accounting firm with significant expertise, reasonable fees and appropriately limited ancillary services. The Audit Committee appointed Grant Thornton LLP in June 2021 and believes that its retention continues to be in the best interests of the Company and its shareholders. One or more members of Grant Thornton are expected to attend the Annual Meeting, will have an opportunity to make a statement if they desire to do so, and will be available to respond to questions at the Annual Meeting.

Voting Standard:

Proposal No. 2 will be approved if the votes cast ***FOR*** the proposal exceed the votes cast ***AGAINST*** it. Abstentions and broker non-votes will be disregarded and have no impact on the vote, other than for establishing a quorum.

APPOINTMENT AND OVERSIGHT OF INDEPENDENT AUDITOR

The Audit Committee has the sole authority and responsibility to select, evaluate and, if necessary, replace our independent registered public accounting firm. On June 16, 2021, the Audit Committee dismissed Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm and engaged Grant Thornton LLP ("Grant Thornton") to serve as its independent registered public accounting firm (the "Independent Auditor") for the year ending December 31, 2021. Deloitte had served as the Company's Independent Auditor since 2017 and Grant Thornton was selected based on an evaluation of capabilities that would best meet the needs of the Company based on the Company's size and market position. For the years ended December 31, 2020 and December 31, 2019: (i) Deloitte's report on the Company's consolidated financial statements did not contain an adverse opinion or a disclaimer of opinion, nor was the report qualified or modified as to uncertainty, audit scope, or accounting principles; (ii) for such periods and the three months ended March 31, 2021, there were no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Deloitte, would have caused Deloitte to make reference to the subject matter of the disagreement(s) in connection with such reports; and (iii) for such periods and the three months ended March 31, 2021, there were no "reportable events" (as described in Item 304(a)(1)(v) of Regulation S-K).

During the years ended December 31, 2020 and December 31, 2019 and through March 31, 2021, neither the Company nor anyone on its behalf has consulted Grant Thornton with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements; or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event.

Our Audit Committee has appointed Grant Thornton as our Independent Auditor to audit our consolidated financial statements for the fiscal year ending December 31, 2022. In considering Grant Thornton's appointment and compensation for audit and permitted non-audit services, the Audit Committee considered, among other factors:

- Grant Thornton's status as a registered public accounting firm with the Public Company Accounting Oversight Board (United States) ("PCAOB") as required by the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") and the Rules of the PCAOB;
- Grant Thornton's independence;
- external data relating to Grant Thornton's performance, including PCAOB reports on Grant Thornton and its peer firms;
- the firm's capability and expertise in handling the complexity of the Company's operations;
- the professional qualifications and experience of key members of the engagement team, including the lead audit partner, for the audit of the Company's consolidated financial statements; and

- the appropriateness of the Independent Auditor's fees, on both an absolute basis and as compared to its peer firms.

The members of the Audit Committee believe that the continued retention of Grant Thornton to serve as the Company's Independent Auditor is in the best interests of the Company and its shareholders. Their appointment is being presented to the shareholders for ratification. If the shareholders do not ratify this appointment, the Audit Committee will consider such results and determine whether to recommend and appoint a different independent registered public accounting firm to audit our consolidated financial statements in the future.

AUDIT COMMITTEE PRE-APPROVAL OF SERVICES

To help assure independence of the Independent Auditor, our Audit Committee has established a policy whereby all audit, review, attest and non-audit engagements of the principal accountant or other firms must be approved in advance by the Audit Committee; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable SEC rules. This policy is set forth in our Audit Committee Charter. Of the fees shown in the table which were billed by our Independent Auditors in 2021 and 2020, 100% were approved by the Audit Committee.

FEES

For the fiscal years ended December 31, 2021 and 2020, the following fees were billed to us by Deloitte:

AUDIT FEES	2021	2020
Audit Fees	$278,958	$1,347,565
Audit-Related Fees	$20,213	—
Tax Fees	—	—
All Other Fees	—	—
TOTAL	$299,171	$1,347,565

For the fiscal year ended December 31, 2021, the following fees were billed to us by Grant Thornton:

AUDIT FEES	2021
Audit Fees	$1,030,320
Audit-Related Fees	—
Tax Fees	—
All Other Fees	—
TOTAL	$1,030,320

AUDIT COMMITTEE AND MEETINGS

The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the Company's financial statements, financial reporting process, internal controls, internal audit function and annual independent audit. In their oversight role, the members of the Audit Committee rely without independent verification on the information provided to them and on the representations made by our management and the Independent Auditor.

The Audit Committee is comprised of all independent directors who meet the financial literacy requirements of the NYSE and additional, heightened independence criteria applicable to members of the Audit Committee under SEC and NYSE rules. The Board has designated Dr. Terry S. Maness (Chairman) as "Audit Committee financial expert" under the SEC rules.

Regular audit committee meetings generally take place immediately before a Board meeting to maximize interaction with the Board. The Audit Committee also meets before the Company issues its quarterly and annual financial results. The meetings typically include the Chief Executive Officer and Chief Financial Officer, along with other members of senior management, and the internal auditors.

At each regular committee meeting, the Audit Committee conducts a review session at which senior management provides briefings on current issues, trends and developments, and is briefed by the Chief Financial Officer on the Company's financial results and the Chief Information Security Officer on information security matters. In addition, the internal auditors provide their report. Representatives of the Independent Auditor attend the meeting and present their findings. The Audit Committee also meets separately with the Independent Auditor representatives and/or the lead audit partner upon request. The Audit Committee reports regularly to the Board.

PRIMARY RESPONSIBILITIES AND 2021 ACTIONS

The Audit Committee represents and assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's financial statements, financial reporting process and system of internal controls, including the internal audit function. The Audit Committee oversees the Company's compliance with legal, regulatory and public disclosure requirements, and the Independent Auditor's qualifications, independence and performance. The Audit Committee also generally oversees the Company's overall enterprise risk management program and approves any related party transactions.

During 2021, among other things, the Audit Committee:

- Reviewed and discussed with management the Company's quarterly and annual results;
- Appointed Grant Thornton and dismissed Deloitte as the Company's independent auditor;
- Reviewed the activities and findings of the Company's internal audit function;
- Actively engaged with the Chief Information Security Officer on security and cybersecurity matters and reviewed information security and cybersecurity risks;
- Reviewed compliance risks, including anti-money laundering risks, with the Company's compliance officer;
- Reviewed the Audit Committee charter;
- Performed a self-assessment; and
- Met independently with the independent auditor.

AUDIT COMMITTEE REPORT

Management is responsible for preparing our consolidated financial statements and the reporting process and Grant Thornton, our Independent Auditor, is responsible for auditing those financial statements in accordance with auditing standards of the Public Company Accounting Oversight Board (United States) (PCAOB). The Audit Committee is responsible for overseeing the conduct of these activities by our management and the Independent Auditor.

The Audit Committee is also responsible for establishing procedures to address complaints regarding accounting, internal control or auditing issues, as well as the anonymous submission by employees of concerns regarding accounting or auditing matters. In this context, the Audit Committee routinely meets and holds discussions with management and the Independent Auditor. Management represented to the Audit Committee that our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the Independent Auditor.

During 2021, the Audit Committee:

- Reviewed and discussed the Company's audited financial statements with management;
- Discussed with the independent auditors the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC;
- Received the written disclosures and the letter from the independent accountant required by applicable requirements of the PCAOB regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence; and
- Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, for filing with the SEC.

AUDIT COMMITTEE
Dr. Terry S. Maness (Chairman)
Dr. Robert B. Sloan, Jr.
Mary Taylor

EXECUTIVE OFFICERS

The Executive Officers of the Company are appointed by, and serve at the discretion of, the Board of Directors. The following sets forth certain information as of the date of this proxy statement regarding our Executive Officers:

Gerald W. Shields, 64 Chief Executive Officer and President

See the discussion under "Board Nominees" for Mr. Shields' information.

Jeffery P. Conklin, 52 Vice President, Chief Financial Officer, Treasurer and Chief Investment Officer

***Professional Experience*: **Mr. Conklin joined the Company in May 2017 and has served as Vice President, Chief Financial Officer since September 20, 2019. He has also served as Vice President, Chief Accounting Officer and Treasurer of the Company since September 2017, and Chief Investment Officer since March 2019. Prior to assuming his current positions, Mr. Conklin served as Interim Chief Financial Officer from March 2019 to September 20, 2019, and Vice President, Chief Accounting Officer from May 2017 to September 2017. Mr. Conklin came to the Company with over 20 years of life insurance and financial reporting experience, having worked at American International Group, Inc. from 2004 to 2017 in various capacities, including Vice President of Financial Reporting and Vice President of Special Projects. In addition to financial reporting, Mr. Conklin brings the Company expertise in budgeting, financial analysis and implementation of strategic accounting initiatives.

***Education*:** B. A. – Business / Accounting, Olivet College

Sheryl Kinlaw, 53 Vice President, Chief Legal Officer and Secretary

***Professional Experience*:** Ms. Kinlaw was appointed as Vice President, Chief Legal Officer and Secretary of the Company in July 2021. She previously served as Interim Chief Legal Officer from April 2021 until her appointment in July 2021 and has provided outside counsel services to the Company since March 2020. Prior to joining Citizens as Chief Legal Officer, Ms. Kinlaw was principal of her own law firm since 2013 where she provided dedicated outsourced general counsel and specialized legal counsel services. Clients included both insurance carriers and independent marketing organizations that distribute insurance products. Prior to forming her own law firm, Ms. Kinlaw served as a partner and the securities practice chair at Culhane Meadows, PLLC, and senior level counsel for two public companies– FIC Insurance Group (Austin) and THQ (Los Angeles). Ms. Kinlaw is licensed to practice law in Colorado and Texas.

***Education*:** B.A. – Economics / International Studies, University of California, Los Angeles (UCLA)
J.D. – University of Texas School of Law

Robert M. Mauldin, III, 61 Vice President, Chief Marketing Officer

***Professional Experience*:** Mr. Mauldin has served as Vice President, Chief Marketing Officer of the Company since joining the Company in July 2017. Mr. Mauldin came to the Company with over 25 years of experience in marketing, product management and innovation and implementing numerous industry-first initiatives that continue to shape the financial services industry today. Prior to joining the Company, Mr. Mauldin served as Senior Vice President, Operations at USI Inc. from September 2015 to July 2017 and Senior Vice President, Marketing at Bank of America from 1992 to September 2015. Mr. Mauldin brings expertise in product development, project management, change management, process improvement, strategic planning and innovation to the Company.

***Education*:** B. A. – Political Science, University of North Carolina, Chapel Hill

Harvey J. L. Waite, 61 Vice President, Chief Actuary

Professional Experience: Mr. Waite has served as Vice President, Chief Actuary of the Company since April 2020. Prior to assuming his current position, Mr. Waite served as Interim Chief Actuary from August 2018 to April 2020 and Pricing Actuary Consultant from November 2017 to July 2018. Mr. Waite came to the Company with over 20 years of actuarial, product and financial experience, including life insurance company experience. Previously, Mr. Waite worked at Bank of America from 2006 to 2017 in various capacities, including Senior Vice President, Actuarial Risk Executive, and Senior Vice President, Credit Risk Executive. Prior to that, Mr. Waite served as Vice President, Actuary at Fleet Credit Card Services (which was acquired by Bank of America in 2004) from 2000 to 2006. Mr. Waite also served in various capacities at Academy Life Insurance Company (an AEGON company) from 1996 to 2000, including Vice President and Chief Actuary and Assistant Vice President and Actuary.

***Education*:** HBSc – Mathematics / Actuarial Science, University of Western Ontario

***Professional Designations*:** FSA, MAAA

PROPOSAL NO. 3:
ANNUAL ADVISORY VOTE ON EXECUTIVE COMPENSATION
("Say-on-Pay")

What Am I Voting On?

Holders of Class A common stock are being asked to approve, on an advisory basis, the compensation of our Named Executive Officers as described in the Executive Compensation section of this proxy statement.

Voting Recommendation: FOR

Our Compensation Committee provides independent oversight of our executive compensation with the assistance of an independent compensation consultant. We believe our executive compensation program is working effectively and is aligned with our business goals and strategy and demonstrates a strong link between pay and performance.

Voting Standard:

Proposal No. 3 will be approved if the votes cast ***FOR*** the proposal exceed the votes cast ***AGAINST*** it. Abstentions and broker non-votes will be disregarded and have no impact on the vote, other than for establishing a quorum.

Because your vote is advisory, it will not be binding upon the Company or the Board. However, the Compensation Committee will consider the outcome of the vote when considering future executive pay.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the compensation of our named executive officers ("Named Executive Officers") for 2021, and the compensation philosophy and objectives on which it is based. Our Named Executive Officers for 2021 were:

- **Gerald W. Shields***, *Chief Executive Officer and President*
- **Jeffery P. Conklin**, *Vice President, Chief Financial Officer, Treasurer and Chief Investment Officer*
- **Sheryl Kinlaw**, *Vice President, Chief Legal Officer and Secretary*
- **Robert M. Mauldin III**, *Vice President, Chief Marketing Officer*
- **Harvey J. L. Waite**, Vice President, *Chief Actuary*

***** During 2021, Mr. Shields served as Interim Chief Executive Officer pursuant to an independent Consulting Agreement, which governed the terms of his compensation. Mr. Shields' compensation arrangement during 2021 is described below in the section entitled "Consulting Agreement with Mr. Shields" on page 48. Mr. Shields was appointed Chief Executive Officer and President effective January 1, 2022. His employment agreement was filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on December 21, 2021.

EXECUTIVE SUMMARY

Through 2016

Cash Compensation only
(non-performance based)

Throughout most of our history, the Company was led and controlled by our founder Harold E. Riley and his family members. Mr. Riley's compensation philosophy was to pay only cash compensation to the executive officers and historically, Citizens did not include performance-based incentives or equity awards in its executive compensation program.

2017

- Added pay-for-performance elements for first time
  - Cash incentive-based bonuses
- Shareholders approved our first equity incentive plan

In 2017, after the appointment of Geoffrey Kolander as Chief Executive Officer, the Company engaged an independent compensation consultant for the first time and following its compensation review, the Compensation Committee implemented pay-for-performance elements in the executive compensation program.

In 2017, our shareholders approved our first equity incentive plan, the Citizens, Inc. Omnibus Incentive Plan, which allowed us to incorporate long-term equity as a component of our executive compensation program.

As illustrated below, we have made progress with our executive compensation program since 2017. We have listened to our shareholders, engaged Pearl Meyer as a strategic partner with respect to our compensation program, and revised our peer group to better reflect our company, industry and financial size.

2018

- Added equity - based incentive compensation to enhance alignment of executives and shareholders
  - RSUs with 2-year time-based vesting terms

2020

Based on negative say-on-pay vote at 2019 Annual Meeting of Shareholders, implemented formulaic scorecard to assess and measure performance for annual incentives

2021

- Incorporated more quantifiable financial and operating metrics in annual incentive program to give less discretion in awarding bonuses
- Awarded RSUs based on achievement of performance goals and once received, lengthened vesting period to 3 years
- In December 2021, entered into new CEO agreement (effective January 1, 2022) with market-based compensation below the median of our peer group and standard double trigger severance provisions

As a result of this progress, not only do we believe that our executive compensation program is better aligned with our peer companies (as discussed below), but we have been able to reduce our overall executive compensation for the Named Executive Officers as follows during the last three years:

	Base Salary	Bonus	Stock Awards	Non- Equity Incentive Plan Compensation	All Other Compensation [4]	Total
2019 [1]	$ 2,328,379	$300,000	$ 2,980,015	$ 1,688,600	61,243	$ 7,358,237
2020 [2]	2,276,433	125,000	1,881,947	1,087,812	530,018	5,901,210
2021 [3]	2,092,945	0	609,912	1,037,430	161,892	3,902,179

(1) Subject to footnote 4 below, compensation data is as disclosed in Summary Compensation Table included in Schedule 14A Proxy Statement filed with the SEC on April 23, 2020.

(2) Subject to footnote 4 below, compensation data is as disclosed in Summary Compensation Table included in Schedule 14A Proxy Statement filed with the SEC on April 20, 2021.

(3) Subject to footnote 4 below, compensation data is as disclosed in Summary Compensation Table on page 46 herein.

(4) Excludes a one-time severance payment to the former Chief Financial Officer in 2019 in the amount of $28,125 and a one-time severance payment to the former Chief Executive Officer in 2020 in the amount of $8,800,000.

THE ROLE OF SHAREHOLDERS; SAY-ON-PAY

The Company is committed to delivering increasing shareholder value through sustainable growth. We believe that, as part of this commitment, it is important to maintain ongoing dialogue with shareholders to solicit and respond to feedback about our executive compensation programs.

In April 2021, for the first time in over 30 years, we became a non-controlled company. We immediately established a formal investor relation function, led by our Chief Financial Officer and Chief Legal Officer. We reviewed the concerns that our shareholders had in 2019 and 2020 that led to negative say-on-pay votes in those two years and despite a **76%** approval in 2021, reached out to shareholders after becoming a non-controlled company in an effort to understand their ongoing concerns.

What We Heard

Through these engagement efforts, we received a range of helpful and insightful responses and feedback. Commentary focused on the following:

- Shareholders are happy that we are no longer a controlled company and welcomed the opportunity to discuss compensation-related matters directly with the Company.
- Shareholders were not happy with our former chief executive officer's compensation package and appreciated our commitment to create a compensation package for the new incumbent that was in-line with market standards, specifically market pay-for-performance compensation and no single-trigger severance provisions.
- Shareholders wanted to see awards of performance-based RSUs or PSUs that have different metrics than our non-equity incentive plan awards.
- A shareholder asked us to implement Stock Ownership Guidelines in order to better align director and executive officer interests with shareholder interests.

How We Responded

Based on our 2021 shareholder outreach program and changes we made to our executive compensation program in early 2021, we received a positive say-on-pay advisory vote at our 2021 Annual Meeting of Shareholders, with 76%

voting in favor of our executive compensation program. While pleased with the positive vote, we continue making changes to improve our program, including the following changes:

- We optimized our peer group to better reflect our Company's competitive profile (see "Peer Company Data" starting on page 36);
- We made changes to our CEO compensation package to bring it in line with market expectations and peer group CEO compensation, drastically reducing overall costs to the Company;
- We Implemented performance-based RSU awards for our executive officers that are only awarded if the pre-approved performance-based goals are met. These RSUs also carry 3-year vesting terms to enhance retention of our executive officers and align their interests with those of our shareholders; and
- We implemented Stock Ownership Guidelines for our directors, CEO and other Section 16 officers.

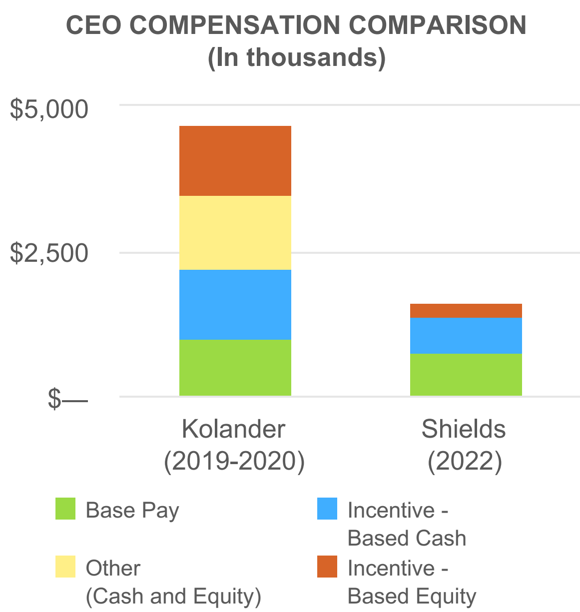
Changes to our Chief Executive Officer Compensation

In December 2021, the Board appointed Mr. Shields as the Chief Executive Officer, effective January 1, 2022, and entered into an Employment Agreement with him (the "Shields Employment Agreement"). During the search for a permanent Chief Executive Officer, the Compensation Committee worked extensively with Pearl Meyer, the Company's external compensation consultant, to structure a market compensation package. The Shields Employment Agreement reflects this structure and provides the following:

Base salary: $775,000
Short-term cash incentive opportunity: target of $600,000
Long-term equity incentive opportunity: target of $250,000
Relocation payment: $15,000

Additionally, the Shields Employment Agreement contains a standard, double-trigger severance payment in the event he is terminated in connection with a change-in-control of the Company, with pay limited to two times the sum of Mr. Shield's base salary at the time of termination and Mr. Shields' most recent annual bonus. The initial term of the Shields Employment Agreement is two years.

The chart below compares Mr. Kolander's compensation in 2019 and 2020 (the compensation that received the negative say-on-pay vote) to the compensation offered to Mr. Shields pursuant to his Employment Agreement.



Base Salary:

Kolander: $1,000,000

Shields: $775,000

Non-Performance Based Compensation:

Kolander: $300,000 cash retention bonus and $1,000,000 fully vested RSUs

Shields: $0

Short-Term Incentive Target Compensation (cash):

Kolander $1,200,000

Shields: $600,000

Long-Term Incentive Target Compensation (equity):

Kolander: $1,200,000

Shields: $250,000

EXECUTIVE COMPENSATION POLICIES AND PRACTICES

We have adopted the following compensation policies and practices to help achieve our compensation philosophy and objectives:

Pay for Performance	A substantial portion of compensation for our Named Executive Officers is performance-based and aligned with creation of shareholder value through an annual incentive cash bonus and long-term equity grants that are only awarded if pre-approved performance goals are achieved.
No pension or other special benefits	We do not provide pensions or supplemental executive retirement, health or insurance benefits.
Limited perquisites	We provide very limited perquisites to our Named Executive Officers.
Stock Ownership Guidelines	We require our Named Executive Officers to hold a certain amount of the Company’s Class A common stock.
Prohibition on hedging, pledging and short sales	We prohibit short sales, transactions in derivatives, hedging and pledging of our securities by our Named Executive Officers.
Development of Peer Group	We seek to align our Named Executive Officers’ compensation so that it is competitive with our industry peers.
Independent Compensation Committee	Our Compensation Committee is comprised of 100% independent members.
Independent compensation consultant	The Compensation Committee has directly retained Pearl Meyer as an independent compensation consultant.

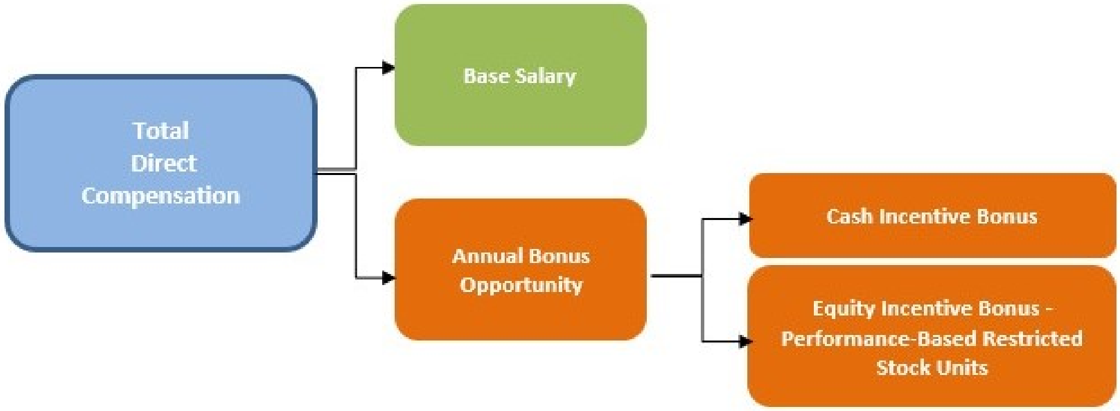
WHAT GUIDES OUR PROGRAM

Our Compensation Philosophy and Objectives

Our executive compensation program is designed to attract, retain and motivate high-performing executive officers and rewards them for achieving strategic goals that enhance shareholder value. We are guided by the following philosophy and objectives:

- *Compensation should be competitive*. Our total compensation should be competitive with our peer companies to enable us to attract and retain the best executive talent possible. In developing competitive compensation programs, we review compensation from companies in our peer group companies and also use survey sources which include compensation data of executive officers of financial services and insurance companies.
- *Compensation should be tied to performance*. In order to align our executive compensation program with our strategic business goals, we pay for performance. Annual incentive bonus opportunities consisting of cash and equity grants in the form of performance-based RSUs are evaluated annually based on achievement of pre-set milestones that are established based on the Company's highest priorities.
- *Compensation should focus on creating enduring value for our shareholders*. We believe that the use of long-term equity incentives serves to retain our executive officers and encourage them to focus on the Company’s long-term performance and success, and aligns executive compensation with the interests of our shareholders. Accordingly, we grant our executive officers RSUs that once earned, vest over three years.

Key Elements of Executive Compensation



The key elements of our executive compensation program include an annual base salary and an annual bonus opportunity that consists of both cash and equity.

- ***Base Salary.*** This is *fixed* compensation and is measured primarily by *individual* experience and knowledge brought to such position. The purpose is to compensate executive officers fairly for the responsibility of the position held.
- ***Annual Bonus Opportunity.*** This is *variable* compensation and is measured primarily by *corporate* performance.
    - *Cash Incentive Bonus*. Purpose is to motivate and reward executive officers for achieving our short-term business objectives.
    - *Equity Incentive Bonus*. Purposes are to: (1) motivate executive officers by linking incentives to the achievement of our annual performance goals and the performance of our Class A common stock over the long term; and (2) reinforce the link between the interests of our executive officers and shareholders.

The Compensation Committee's goal is to create a competitive compensation package for each Named Executive Officer using the Competitive Compensation Data (as described below in the section titled "Peer Company Data") to help determine each element of our executive pay.

THE DECISION-MAKING PROCESS

The Role of the Compensation Committee. Our executive compensation program is administered by the Compensation Committee, which is composed entirely of independent directors. The Compensation Committee is responsible for designing our executive compensation program, including each element of the program, and determining and approving total executive compensation. Each year, the Compensation Committee reviews a competitive analysis and assessment of our executive compensation and approves executive compensation based on this review. The Compensation Committee's decisions with respect to our executive officers' compensation are then reviewed and approved by the independent members of the Board.

The Role of the Chief Executive Officer. At the Compensation Committee's request, the Chief Executive Officer provides input regarding the performance and appropriate compensation of the other Named Executive Officers. The Compensation Committee considers the Chief Executive Officer's evaluation and his direct knowledge of each executive officer's performance and contributions when making compensation decisions. The Chief Executive Officer is not present during voting or deliberations by the Compensation Committee regarding his own compensation.

The Role of the Compensation Consultant. The Compensation Committee engaged Pearl Meyer as its independent compensation consultant in 2021. The Compensation Committee selects and retains Pearl Meyer's services and annually reviews their performance. As part of the review process, the Compensation Committee considers the independence of the compensation consultant in accordance with SEC rules. During 2021, Pearl Meyer provided no services to the Company other than services for the Compensation Committee. The Compensation Committee therefore concluded that no conflict of interest exists that would prevent Pearl Meyer from serving as an independent consultant to the Compensation Committee.

In 2021, Pearl Meyer worked with the Compensation Committee to evaluate the following:
- CEO compensation
- Executive officer compensation
- Director compensation
- Peer Group

As part of this evaluation, Pearl Meyer researched and analyzed industry compensation data sources and compensation data from the Company's peer group of comparable public companies in order to assess the competitiveness and reasonableness of the Company's compensation programs. Based on this analysis, Pearl Meyer recommended to the Committee (i) levels of compensation for a new Chief Executive Officer, depending on experience (proven or emerging), (ii) potential changes to director compensation (see discussion on page 25), and (iii) a revised peer group (see discussion below).

Peer Company Data. The use of compensation data from a peer group of public companies that are comparable in industry, size (e.g., assets, market capitalization) and performance (the "Peer Company Data") is an important aspect of determining our executive compensation. Since we compete for executive talent with comparable companies, utilizing the Peer Company Data helps us create a competitive compensation program that is structured to be compatible with our pay-for-performance compensation philosophy.

As disclosed in our 2021 Proxy Statement, in setting executive officer compensation for 2021, the Compensation Committee used Peer Company Data from the following comparable companies (the "2020 / 2021 Peer Group"):

- American Equity Investment Life Holding Company
- AMERISAFE, Inc.
- FBL Financial Group, Inc.
- FedNat Holding Company
- HCI Group, Inc.
- Globe Life Inc. (formerly known as Torchmark Corp.)
- Independence Holding Company
- MBIA Inc.
- National Western Life Group, Inc.
- On Deck Capital, Inc.
- Primerica, Inc.
- Regional Management Corp.
- World Acceptance Corporation

In June 2021, as part of our ongoing efforts to improve our executive compensation program, Pearl Meyer evaluated our 2020 / 2021 Peer Group and determined that (i) it was smaller than peer groups established by other public companies based on Pearl Meyer's experience, (ii) there was very limited overlap with the peer group used by proxy advisory firm ISS in its review of the Company's executive compensation programs, and (iii) three of the companies (American Equity Investment Life Holding Company, Globe Life Inc. and National Western Life Group, Inc.) had total assets greater than the typical financial criteria range Pearl Meyer utilizes when evaluating potential peer group candidates. Based upon such evaluation, Pearl Meyer recommended, and our Compensation Committee approved, a new peer group, consisting of the following companies (collectively, the "New Peer Group"):

Company (in order of assets)	Primary Industry	Total Assets* ($M)
PRA Group, Inc.	Consumer Finance	$4,279
United Insurance Holdings Corp.	Property and Casualty Insurance	$2,803
Maiden Holdings, Ltd.	Reinsurance	$2,703
Consumer Portfolio Services, Inc.	Consumer Finance	$2,096
Safety Insurance Group, Inc.	Property and Casualty Insurance	$2,046
Stewart Information Services Corporation	Property and Casualty Insurance	$2,043
Heritage Insurance Holdings, Inc.	Property and Casualty Insurance	$2,015
Global Indemnity Group, LLC	Property and Casualty Insurance	$1,898
Medallion Financial Corp.	Consumer Finance	$1,689
AMERISAFE, Inc.	Property and Casualty Insurance	$1,495
CURO Group Holdings Corp.	Consumer Finance	$1,408
FedNat Holding Company	Property and Casualty Insurance	$1,286
EZCORP, Inc.	Consumer Finance	$1,196
Independence Holding Company	Life and Health Insurance	$1,125
Regional Management Corp.	Consumer Finance	$1,098
HCI Group, Inc.	Property and Casualty Insurance	$1,017
World Acceptance Corporation	Consumer Finance	$954
75th Percentile		$2,046
50th Percentile		$1,689
25th Percentile		$1,196
Citizens, Inc.	Life and Health Insurance	$1,782
Percentile		53%

* Total Assets as of June 7, 2021, based on publicly disclosed information as of such date.

We believe that the New Peer Group size is more in line with typical practices since the larger number of peers reduces the impact of outlier compensation practices on analysis outcomes. We further believe that establishing a peer group that positions the Company near the 50th percentile is more in line with total asset criteria for peer groups. Lastly, the New Peer Group is likely to have greater overlap with the ISS peer group created to assess our 2021 pay practices.

Information We Use to Determine Executive Compensation

As mentioned above, the use of Peer Company Data plays an important role in determining our executive compensation. In addition to reviewing Peer Company Data, Pearl Meyer reviewed data sourced from LOMA, an international trade association for the insurance and financial services industry (with the Peer Company Data, collectively, the “Competitive Compensation Data”).

We review the Competitive Compensation Data as a reference point in setting our executive officers’ base salaries and annual incentive bonus opportunities to ensure that we are offering competitive compensation packages to our named executive officers. The Compensation Committee considered the Competitive Compensation Data in setting executive officer compensation for 2021, and in determining competitive compensation packages for newly hired or promoted executive officers. The Compensation Committee believes, based on feedback from Pearl Meyer, that in order for our executive compensation program to be competitive, the Company should pay total compensation to each executive officer of at least the 25th percentile. The Compensation Committee started with the 25th percentile of compensation in setting executive compensation levels for 2021 and then considered additional factors, including the need to have a competitive bonus opportunity in order to retain and motivate the executive officers in light of the recent leadership change, the Company’s 2020 performance and performance in early 2021, and an individual executive officer’s role and potential contribution to the future success of the Company.

Additionally, throughout 2021, the Company conducted a search for a permanent Chief Executive Officer, and Pearl Meyer assisted the Compensation Committee in structuring a compensation package for a new Chief Executive Officer. In June 2021, the New Peer Group was established, as discussed above. Pearl Meyer used Peer Group Data from the New Peer Group as part of new Competitive Compensation Data to recommend to the Compensation Committee a Chief Executive Officer compensation range. The recommendations included base salary, short-term incentives and long-term incentives for both an “emerging” and a “proven” Chief Executive Officer candidate. Based upon Pearl Meyer’s recommendations, the Compensation Committee established a compensation range to offer to a new Chief Executive Officer, which included compensation at approximately the median of peer group Chief Executive Officers for an experienced Chief Executive Officer candidate and approximately the 25th percentile for an "emerging" Chief Executive Officer candidate. This recommendation and approval was based on the Company's position in the 53% percentile of its New Peer Group.

2021 EXECUTIVE COMPENSATION DECISIONS IN DETAIL

Components of Total Compensation

Annual Base Salary

Annual base salary is a customary, fixed element of compensation intended to attract and retain executive officers. Base salaries are set when an executive officer is hired or promoted into his or her position and may be modified based on each executive officer's experience, responsibilities, market demand and consideration of the Competitive Compensation Data.

Based upon a review of the Competitive Compensation Data and other considerations such as the Company's 2020 performance and the continued COVID-19 impact on the Company's operations, except for the increase in Mr. Shields' consulting fee, the Compensation Committee did not make any increases to the base salary levels of the Company's named executive officers in 2021. Ms. Kinlaw's base salary was set upon her appointment to her position on July 1, 2021 based on the Competitive Compensation Data.

Our Named Executive Officers were paid the following base salaries for 2021:

Named Executive Officers	2021
Gerald W. Shields (1)	$806,000
Jeffery P. Conklin	$430,000
Sheryl Kinlaw (2)	$300,000
Robert M. Mauldin III	$350,000
Harvey J. L. Waite	$340,000

(1) Prior to January 1, 2022, Mr. Shield's annual base salary was established by the Shields Consulting Agreement, which in 2021 was increased from $14,500 per week to $15,500 per week to reflect Mr. Shields' leadership of and direction to the Company during the end of 2020, while navigating through significant internal and external disruptions, uncertainties and challenges including a change in control, change in leadership, litigation and a global pandemic.

(2) Ms. Kinlaw's base salary was pro-rated to reflect her July 1, 2021 employment date and thus the actual base salary amount received was $150,000.

Annual Bonus Opportunity

Our executive officers are eligible to earn annually a bonus that consists of a cash incentive (the "Cash Bonus") and an equity incentive (the "Equity Bonus" and collectively with the Cash Bonus, the "Annual Bonus"). The Annual Bonus is designed to place at risk a portion of each officer's total direct compensation and pay for performance delivered during the year.

There are **three steps** to establishing the Annual Bonus opportunity.

1 **Establish Performance Objectives ("Milestones")**

At the beginning of the year, the Compensation Committee, with input from the Chief Executive Officer, establishes the performance objectives for the year. The goal of the performance objectives is to tie the Annual Bonus opportunity to achievement of the Company's highest priorities (short-term goals) within our strategic initiatives (longer-term goals).

In 2021, the performance objectives (the “2021 Milestones”) were:

1. First Year Sales Increase

Achieve first year sales of $x million annualized premium.

Targets are established by business segment, with specific targets for payout at 80% of goal, 100% of goal and 120% of goal for EACH of International Life Insurance, Domestic Life Insurance and Home Services Insurance.

2. Improve Policy Retention

Improve 1st year policy retention (Measured on 15-month renewal).

Targets are established by business segment with specific targets for payout at 80% of retention goal, 100% of retention goal and 120% retention goal for EACH of International Life Insurance and Home Services Insurance.

3. Roadmap Execution

Maintain and execute on the approved 5 Quarter Roadmap:

- Focus on delivering the approved roadmap to improve sales and service across the 3 markets and 3 sales levers (Product, Promotions and Process)
- Deliver xx new products across International, Domestic and Home Service markets
- Execute on Home Services Insurance transformation plan
- Execute on LDTI to successfully meet LDTI schedule and budget

4. Financials & Expense Discipline

- 120 % Payout Stretch Goal: Positive Net Pre-tax income
- 100% Payout Goal: Break even Net Pre-tax income
- 80% Payout goal: Achieve budgeted Net Pre-tax income

2 Setting the Annual Bonus Opportunity

The Annual Bonus opportunity for each Named Executive Officer is set by the Compensation Committee, based on peer group analysis provided by Pearl Meyer, as described above in “Information We Use to Determine Executive Compensation”. In 2021, the Compensation Committee lowered the target Annual Bonus opportunity from the 2020 level to (i) better reflect the Competitive Compensation Data, and (ii) to further refine the Annual Bonus opportunity to allow for an increased bonus based on exceeding the 2021 Milestones, *i.e.* stretch goals (reflected as the 120% opportunity in the 2021 Milestones).

The 2021 target Annual Bonus opportunity for each Named Executive Officer was:

Named Executive Officers	Base Salary	Cash Bonus Target Value	Equity Bonus Target Value	TOTAL ANNUAL BONUS OPPORTUNITY (% of Salary)
Gerald W. Shields[(1)]	$806,000	$700,000	$0	87%
Jeffery P. Conklin	$430,000	$175,000	$116,960	68%
Sheryl Kinlaw[(2)]	$150,000	$68,000	$50,000	79%
Robert M. Mauldin III	$350,000	$142,800	$95,200	68%
Harvey J. L. Waite	$340,000	$122,400	$81,600	60%

(1) Mr. Shields’ Consulting Agreement did not provide for an Annual Bonus opportunity. In September 2021, anticipating that Mr. Shields would serve as the Company’s Interim Chief Executive Officer through at least the end of 2021, the Compensation Committee reviewed the compensation levels that it had discussed for a new CEO candidate, which levels are based on the Competitive Compensation Data. Following such review, the Compensation Committee determined that pursuant to the Company’s pay-for-performance philosophy, Mr. Shields should have the opportunity to receive a short-term incentive cash bonus for driving the corporate goals in 2021 (the “STI”) and that such STI should be (a) in-line with what the Compensation Committee had discussed for the new CEO’s short-term cash bonus opportunity, and (b) based on the approved 2021 Milestones.

(2) Ms. Kinlaw’s target Annual Bonus Opportunity for 2021 was pro-rated to reflect her employment start date of July 1, 2021. The amounts reflected in the table above are the pro-rated amounts. Ms. Kinlaw’s Annual Bonus opportunity

was higher than the other officers (other than the CEO) in order to bring her total compensation opportunity closer to the median of the Competitive Compensation Data.

For Mr. Conklin, Mr. Mauldin and Mr. Waite, the Cash Bonus constituted 60% of the target Annual Bonus opportunity and the Equity Bonus constituted 40% of the target Annual Bonus opportunity. The higher weighting of the Cash Bonus portion was based on recommendation from Pearl Meyer. As discussed in the footnote above, the Shields Consulting Agreement was amended in September 2021 to provide a Cash Bonus opportunity of up to $700,000. Ms. Kinlaw's Annual Bonus opportunity was set upon her appointment in July 2021 - her Cash Bonus constituted 58% and her Equity Bonus constituted 42% of her Annual Bonus opportunity.

3 Tying the Annual Bonus Opportunity to the Milestones

As discussed above, over the last few years, the Compensation Committee has continued to refine our executive compensation program. In 2021, as we became a non-controlled Company for the first time in over 30 years, the Compensation Committee incorporated more quantifiable financial and operating metrics in our performance objectives in order to have less discretion in awarding the Annual Bonus to our Named Executive Officers. This allows the Compensation Committee to tie a percentage of each Named Executive Officer's Annual Bonus opportunity to the milestone(s) that such person is responsible for driving. We believe that this step provides clear objectives to motivate the Company's leadership to meet high standards of values-driven leadership in addition to delivering strong financial results.

In 2021, the Compensation Committee weighed the milestones as follows:

Named Executive Officers	Milestone 1- First Year Sales Increase	Milestone 2- Improved Policy Retention	Milestone 3- Roadmap Execution	Milestone 4- Financials & Expense Discipline	Individual Performance
Gerald W. Shields	25%	25%	25%	25%	-
Jeffery P. Conklin	20%	15%	25%	40%	-
Sheryl Kinlaw (1)	25%	10%	20%	35%	10%
Robert M. Mauldin III	40%	20%	20%	20%	-
Harvey J. L. Waite	25%	20%	35%	20%	-

(1) Ms. Kinlaw's Annual Bonus opportunity included an individual performance aspect in 2021 in order to incentivize her to achieve certain legal and compliance tasks that were not reflected in the 2021 Milestones. Her future Annual Bonus opportunities will not include individual performance percentages.

First Year Sales Increase

Achieve first year sales of $x million annualized premium.

Targets are established by business segment, with specific targets for payout at 80% of goal, 100% of goal and 120% of goal for EACH of International Life Insurance, Domestic Life Insurance and Home Services Insurance.

1

MILESTONE 1

	Weight	x	80%	=	Payout
INTERNATIONAL	33.3%		0.8		0.2664
DOMESTIC	33.3%		0.8		0.2664
HOME SERVICE	33.3%		0.8		0.2664
	Weight	x	100%	=	Payout
INTERNATIONAL	33.3%		1		0.333
DOMESTIC	33.3%		1		0.333
HOME SERVICE	33.3%		1		0.333
	Weight	x	120%	=	Payout
INTERNATIONAL	33.3%		1.2		0.3996
DOMESTIC	33.3%		1.2		0.3996
HOME SERVICE	33.3%		1.2		0.3996

The threshold amount that a Named Executive Officer could earn for this Milestone (other than $0 for no achievement) would be 80% achievement of either International, Domestic or Home Service, which would result in a 26.7% payout for Milestone 1. The maximum amount that a Named Executive Officer could earn for this Milestone would be achievement of 120% of all three revenue goals, which would result in a 120% payout for Milestone 1.

Improve Policy Retention

Improve 1st year policy retention (Measured on 15-month renewal).

Targets are established by business segment with specific targets for payout at 80% of retention goal, 100% of retention goal and 120% retention goal for EACH of International Life Insurance and Home Services Insurance.

2

MILESTONE 2

	Weight	x	80%	=	Payout
INTERNATIONAL	50%		0.8		0.4
HOME SERVICE	50%		0.8		0.4
	Weight	x	100%	=	Payout
INTERNATIONAL	50%		1		0.5
HOME SERVICE	50%		1		0.5
	Weight	x	120%	=	Payout
INTERNATIONAL	50%		1.2		0.6
HOME SERVICE	50%		1.2		0.6

The threshold amount that a Named Executive Officer could earn for this Milestone (other than $0 for no achievement) would be 80% achievement of either International or Home Service, which would result in a 40% payout for Milestone 2. The maximum amount that a Named Executive Officer could earn for this Milestone would be achievement of 120% of both retention goals, which would result in a 120% payout for Milestone 2.

Roadmap Execution

Maintain and execute on the approved 5 Quarter Roadmap:

- Focus on delivering the approved roadmap to improve sales and service across the 3 markets and 3 sales levers (Product, Promotions and Process)
- Deliver xx new products across International, Domestic and Home Service markets
- Execute on Home Services Insurance transformation plan
- Execute on LDTI to successfully meet LDTI schedule and budget

3

MILESTONE 3

	Weight	x	80%	=	Payout
	100%		0.8		0.8
	Weight	x	100%	=	Payout
	100%		1		1.0
	Weight	x	120%	=	Payout
	100%		1.2		1.2

The threshold amount that a Named Executive Officer could earn for this Milestone (other than $0 for no achievement) would be 80% achievement of roadmap execution, which would result in an 80% payout for Milestone 3. The maximum amount that a Named Executive Officer could earn for this Milestone would be achievement of 120% of roadmap execution, which would result in a 120% payout for Milestone 3.

Financials & Expense Discipline

- 120 % Payout Stretch Goal: Positive Net Pre-tax income
- 100% Payout Goal: Break even Net Pre-tax income
- 80% Payout goal: Achieve budgeted Net Pre-tax income

4

MILESTONE 4

	Weight	x	80%	=	Payout
	100%		0.8		0.8
	Weight	x	100%	=	Payout
	100%		1		1.0
	Weight	x	120%	=	Payout
	100%		1.2		1.2

The threshold amount that a Named Executive Officer could earn for this Milestone (other than $0 for no achievement) would be 80% achievement of financials & expense discipline, which would result in an 80% payout for Milestone 4. The maximum amount that a Named Executive Officer could earn for this Milestone would be achievement of 120% of financials & expense discipline, which would result in a 120% payout for Milestone 4.

Thus, the overall Annual Bonus opportunity for each named Executive Officer is as follows:

	Threshold Achievement of each Milestone[1]	Target (100% Achievement of each Milestone)	120% Achievement of each Milestone
Gerald W. Shields	$396,725	$700,000	$840,000
Jeffery P. Conklin	$184,928	$291,960	$350,352
Sheryl Kinlaw [2]	$64,517	$118,000	$139,240
Robert M. Mauldin III	$120,618	$238,000	$285,600
Harvey J. L. Waite	$119,697	$204,000	$244,800

(1) Calculated for each Named Executive Officer by multiplying the weighting for each Milestone by the threshold achievement percentage needed for a payout, as set forth above, then adding all 4 factors, which would result in the following percentages:

Named Executive Officers	Threshold Achievement Multiplier*
Gerald W. Shields	56.7%
Jeffery P. Conklin	63.3%
Sheryl Kinlaw	54.7%
Robert M. Mauldin III	50.7%
Harvey J. L. Waite	58.7%

* Rounded to nearest tenth of a percent.

(2) Threshold achievement for Ms. Kinlaw assumes $0 payout on personal goal; 120% achievement of each Milestone assumes a 100% payout on personal goal.

Calculating the 2021 Annual Bonus

Because the calculation of the Annual Bonus opportunity is formulaic, following conclusion of the 2021 fiscal year, the Compensation Committee only had to determine the achievement of each of the 2021 Milestones in order to calculate the 2021 Annual Bonus amount for each Named Executive Officer.

2021 Milestone	Percentage of Milestone Achieved	2021 Key Accomplishments/Results
First Year Sales Growth	26.7%	• Achieved 80% of first year sales growth for international sales • Did not achieve first year sales growth for domestic life insurance sales or Home Services Insurance segment sales
Retention Improvement	120%	• Achieved stretch retention goals for both international life insurance and Home Services Insurance segment
Roadmap Execution	120%	• Delivered above plan on 5-quarter roadmap, which included deliveries of: ◦ New and enhanced products ◦ Quarterly portal releases and numerous infrastructure and service-related projects • LDTI project implementation met timeline • Home Services Insurance transformation continued on plan
Financial and Expense Discipline	80%	• Achieved budgeted and Plan Net Pre-tax income

Once the achievement percentages are set for each milestone, the Annual Bonus was calculated for each Named Executive Officer by multiplying the percentage achieved for each milestone by such Named Executive Officer's weighting for each such milestone to determine the **bonus multiplier**.

Named Executive Officer	First Year Sales Growth	=	Retention Improve-ment	=	Roadmap Execution	=	Financial & Expense Discipline	=	Personal Goal	TOTAL
Gerald W. Shields	.25 x .267	.067	.25 x 1.2	.3	.25 x 1.2	.3	.25 x .80	.2	-	.867
Jeffery P. Conklin	.20 x .267	.053	.15 x 1.2	.18	.25 x 1.2	.3	.40 x .80	.32	-	.853
Sheryl Kinlaw	.25 x .267	.067	.10 x 1.2	.12	.2 x 1.2	.24	.35 x .80	.28	.1	.807
Robert M. Mauldin III (1)	.40 x .467	.187	.20 x 1.2	.24	.20 x 1.2	.24	.20 x .80	.16	-	.827
Harvey J. L. Waite	.25 x .267	.067	.20 x 1.2	.24	.35 x 1.2	.42	.20 x .80	.16	-	.887

(1) Robert Mauldin was given 60% payout on the Home Services' first year sales increase target. The Home Services sales team missed the 80% payout by less than $100,000. The Compensation Committee gave dispensation for the hurricane that impacted the Home Services sales by approximately $200,000, thus the Compensation Committee and Board approved 60% credit to the Mr. Mauldin and two sales leaders.

The total (bonus multiplier) is then multiplied by each Named Executive Officer's target Annual Bonus opportunity to determine the Annual Bonus earned. The Cash Bonus amounts paid to the Named Executive Officers are reported under "Non-equity Incentive Plan Compensation" in the Summary Compensation Table on page 46.

Named Executive Officers	Cash Bonus Target Value	x	Cash Bonus Paid	Equity Bonus Target Value	x	Equity Bonus Granted
Gerald W. Shields	$700,000	.867	$606,667	0		0
Jeffery P. Conklin	$175,000	.853	$149,334	$116,960	.853	$99,806
Sheryl Kinlaw	$68,000	.807	$54,853	$50,000	.807	$40,333
Robert M. Mauldin III	$142,800	.827	$118,048	$95,200	.827	$78,669
Harvey J. L. Waite	$122,400	.887	$108,528	$81,600	.887	$72,353
TOTAL	$1,208,200		$1,037,430	$343,760		$291,161

The Equity Bonus is calculated by dividing the Equity Bonus Granted amount set forth in the table above by the closing price of our Class A common stock on March 31, 2022, the payout date for the Annual Bonus. The Equity Bonus was paid in the form of a grant of Restricted Stock Units (RSUs), which vest over a 3-year period following the date of payment. Thus, our Equity Bonus component has both a performance-based component, i.e., the RSUs aren't granted unless the established milestones are achieved, and a time-based component, i.e., once the performance goals are achieved, a Named Executive Officer receives the stock over the following three years, subject to continued service with the Company. We believe this component of pay thus aligns the interests of our executives with shareholders' interests in creating long-term shareholder value and promoting the stability and retention of the executive team over longer periods.

OTHER COMPENSATION PRACTICES POLICIES AND GUIDELINES

Inducement Equity Grants

In order to attract and retain talent, from time-to-time we offer inducement equity awards that vest over 3-year terms. We believe that such awards allow us to recruit talent and incentivize employees to remain at Citizens in order to help drive our strategic goals. In 2021, we granted Ms. Kinlaw an inducement equity grant of 24,000 RSUs.

Compensation Clawback

The terms of all outstanding RSU awards held by our Named Executive Officers allow us to recoup "excess compensation" that may be paid in respect of RSUs in the event the Company is required to restate its audited financial statements for any of the prior three fiscal years as a result of material noncompliance with financial reporting requirements under federal securities laws. "Excess compensation" means the excess of (i) the actual amount of performance-based compensation received by an individual over (ii) the compensation that would have been received based on the restated financial results during such period.

Prohibition on Hedging, Pledging and Short Sales

The Company prohibits all directors and officers from engaging in (i) any transactions in derivatives of the Company's securities, including the use of financial instruments such as prepaid variable forward contracts, equity swaps, collars, and exchange funds, or any other transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of the Company's securities, (ii) pledging of the Company securities as collateral and (iii) short sales of the Company's securities.

Other Benefits

Our Named Executive Officers are eligible to participate in other benefits on the same basis as other employees, including our health, dental and vision insurance plans, our 401(k) Retirement Plan and paid time off plan. Additionally, Robert Mauldin and Harvey Waite live outside of Texas and while Mr. Shields was serving as Interim Chief Executive Officer in 2021, his primary residence was not in Austin, Texas. We reimbursed these executives for travel expenses incurred in commuting between their principal residence and our executive offices, as well as lodging expenses.

Pursuant to the Shields Consulting Agreement, Mr. Shields received perquisites in the amount of $18,176, which primarily consisted of travel and lodging from his home to the Company's headquarters in Austin, Texas. No perquisites or personal benefits exceeded $10,000 for any of our other Named Executive Officers.

Risk Considerations

In establishing and reviewing the Company's executive compensation program, the Compensation Committee considers whether the program encourages unnecessary or excessive risk-taking. Additional risk considerations are discussed above under "Board Matters – Board's Roles and Responsibilities - Risk Oversight."

Severance Arrangements

As previously disclosed, throughout 2021, the Company's Board engaged in a search for a permanent chief executive officer. In order to assure the retention and continued attention to their duties and responsibilities during a potential change in the Company's leadership, in November 2021, the Company entered into Executive Change in Leadership Agreement with each of Mr. Conklin, Ms. Kinlaw, Mr. Mauldin and Mr. Waite (each, a "Change in Leadership Agreement"). Each Change in Leadership Agreement provided for cash severance and other benefits in connection with a qualifying termination following (i) a Change in Leadership, which is defined as the "replacement of the interim CEO, Gerald W. Shields, with the New CEO", or (ii) a "Change of Control".

Potential payments and benefits provided pursuant to the Change in Leadership Agreements and a more detailed description of the agreements are set forth below in the section entitled "Potential Payments Upon Termination or Change in Control" beginning on page 50.

As of December 31, 2021, the Company did not have any other severance arrangements in place with any of its executive officers.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company's 2021 Annual Report on Form 10-K, which the Board approved unanimously.

COMPENSATION COMMITTEE
Dr. Robert B. Sloan, Jr. (Chairman)
Christopher W. Claus
Jerry D. Davis, Jr.

COMPENSATION TABLES

The following tables, footnotes and narrative discuss the compensation of each of our Named Executive Officers for 2021, 2020 and 2019, as applicable.

Summary Compensation Table

Name and Principal Position	Year	Salary ($) [1]	Bonus ($) [2]	Stock Awards ($) [3]	Non-Equity Incentive Plan Compensation ($) [4]	All Other Compensation ($)	Total ($)
Gerald W. Shields	2021	822,945	—	10,499	606,667	18,176 [5]	1,458,287
Chief Executive Officer and President	2020	295,600	125,000	9,450	—	75,625 [5]	505,675
Jeffery P. Conklin	2021	430,000	—	214,460	149,334	10,012 [6]	803,806
Vice President, Chief Financial Officer,	2020	430,000	—	322,499	214,463	10,317 [6]	977,279
Chief Investment Officer and Treasurer	2019	364,775	—	187,502	140,000	8,258	700,535
Sheryl Kinlaw	2021	150,000	—	130,320	54,853	115,485 [6][7]	450,658
Vice President, Chief Legal Officer and Secretary							
Robert M. Mauldin III	2021	350,000	—	205,670	118,048	7,761 [6]	681,479
Vice President, Chief Marketing Officer	2020	350,000	—	262,498	164,850	8,636 [6]	785,984
	2019	308,000	—	230,000	138,600	6,634	683,234
Harvey J. L. Waite	2021	340,000	—	48,963	108,528	10,458 [6]	507,949
Vice President, Chief Actuary	2020	255,000	—	—	48,960	72,458 [6][8]	376,418

(1) The 2021 and 2020 salary for Mr. Shields reflects the consulting fees paid to him under the terms of the Consulting Agreement for his service as Interim Chief Executive Officer and President of the Company (as an independent contractor and not an employee). Mr. Shields was appointed Interim Chief Executive Officer and President effective August 5, 2020 and held that position through December 31, 2021.

The 2021 salary for Ms. Kinlaw reflects the prorated salary based on her 6 months of service in the role of Vice President, Chief Legal Officer and Secretary of the Company effective July 1, 2021.

The 2020 salary for Mr. Waite reflects the prorated salary based on his 9 months of service in the role of Vice President, Chief Actuary of the Company effective April 1, 2020.

(2) The 2020 bonus amount for Mr. Shields reflects bonus awarded to Mr. Shields in 2021 to compensate him for the leadership he provided to the Company in 2020 and thus we consider it "earned" during 2020. For more information about the bonus, see the section entitled "Shields Consulting Agreement" on page 48.

(3) The amounts reflect the aggregate grant date fair value of awards of RSUs granted under the Citizens, Inc. Omnibus Incentive Plan and do not reflect compensation actually received. The granted RSUs have 3-year vesting terms, subject to acceleration under certain circumstances as described herein. The grant date fair value is computed in accordance with ASC Topic 718 and is measured based on the closing price of the Company's Class A common stock on the date of grant. Assumptions used in the calculation of these amounts are included in Footnote 11 to the Company's audited financial statements for the fiscal year ended December 31, 2021, included in the Company's Annual Report on Form 10-K.

The 2021 RSU awards granted to Mr. Conklin, Mr. Mauldin and Mr. Waite represent incentive plan RSUs granted on January 29, 2021 for achievement of 2020 performance goals.

The RSUs granted to Ms. Kinlaw represent an inducement grant made to Ms. Kinlaw on her employment start date. All of the RSUs vest equally over 3-years from the date of grant.

The Shields Consulting Agreement did not provide for any equity incentive compensation. The RSUs reflected in the table represent time-based RSUs granted to him in both 2021 and 2020 for his service as a non-employee director.

(4) The amounts reflect the performance-based cash incentive bonus earned by each Named Executive Officer in each year in recognition of achievement of the relevant performance goals achieved for the prior fiscal year. In January 2022 the Compensation Committee recommended and in March 2022, the Board approved, the non-equity incentive plan compensation set forth above for each Named Executive Officer for achievement of the 2021 Milestones. See "Annual Bonus Opportunity" starting on page 38 for additional discussion on achievement and payout of the 2021 Milestones.

(5) 2021 – This amount reflects perquisites paid to Mr. Shields under the Shields Consulting Agreement, which primarily consisted of travel and lodging from his home to the Company's headquarters in Austin, Texas.

2020 - This amount represents director compensation fees received by Mr. Shields in his capacity as non-employee director prior to his appointment as Interim Chief Executive Officer and President effective August 5, 2020.

(6) This amount represents the Company's contributions to the respective Named Executive Officer's defined contribution plan.

(7) Includes the amount paid to Ms. Kinlaw as outside counsel prior to April 1, 2021 and as Interim Chief Legal Officer (as a consultant) from April 1, 2021 through June 30, 2021.

(8) Includes consulting fees earned by Mr. Waite, in accordance with the terms of his Consulting Agreement with the Company from January 1, 2020 to March 31, 2020.

The amounts in the salary, bonus, and non-equity incentive plan compensation columns of the "Summary Compensation Table – 2021, 2020, and 2019" reflect actual amounts earned in the relevant years (even if paid in a subsequent year), while the amounts in the stock awards column reflect the fair market values of equity granted during the year and not actual amounts paid. The tables entitled "Outstanding Equity Awards at 2021 Year-End" and "Stock Vested – 2021" provide further information on the Named Executive Officers' potential realizable value and actual value realized with respect to their RSU awards. The "Summary Compensation Table – 2021, 2020, and 2019" should be read in conjunction with the Compensation Discussion and Analysis and the subsequent tables and narrative descriptions.

GRANTS OF PLAN-BASED AWARDS

The following table shows information regarding plan-based awards granted to the Named Executive Officers in 2021.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards [1]			Estimated Future Payouts Under Equity Incentive Plan Awards [1]			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards ($) [2]
Name	**Award Type**	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**		
Gerald W. Shields [3]	Cash Incentive		396,725	700,000	840,000	—	—	—	—	—
	Time-Based RSUs	6/2/2021	—	—	—	—	—	—	2,023	10,499
Jeffery P. Conklin	Cash Incentive [4]		110,845	175,000	210,000	—	—	—	—	—
	Performance-Based RSUs [5]	3/9/2021	—	—	—	74,083	116,960	140,352	—	—
Sheryl Kinlaw	Cash Incentive [4]		37,179	68,000	80,240	—	—	—	—	—
	Inducement Grant RSUs [6]	7/1/2021	—	—	—	—	—	—	24,000	130,320
	Performance-Based RSUs [5]	7/1/2021	—	—	—	27,338	50,000	59,000	—	—
Robert M. Mauldin III	Cash Incentive [4]		72,371	142,800	171,360	—	—	—	—	—
	Performance-Based RSUs [5]	3/9/2021	—	—	—	48,247	95,200	114,240	—	—
Harvey J. L. Waite	Cash Incentive [4]		71,818	122,400	146,880	—	—	—	—	—
	Performance-Based RSUs [5]	3/9/2021	—	—	—	47,879	81,600	97,920	—	—

(1) The threshold value represents achievement of at least 80% of each 2021 Milestone, the target amount represents achievement of 100% of each 2021 Milestone and the maximum value represents the achievement of 120% or greater of each 2021 Milestone. Ms. Kinlaw's threshold, target and maximum are pro-rated to reflect her July 1, 2021 start date.

(2) The grant date fair value of awards of time-based RSUs is calculated in accordance with ASC Topic 718 based on the closing price of the Company's Class A common stock on the date of grant. Assumptions used in the calculation

of these amounts are included in Footnote 11 to the Company's audited financial statements for the fiscal year ended December 31, 2021, included in the Company's Annual Report on Form 10-K.

(3) The Shields Consulting Agreement did not provide for equity incentive plan awards. Mr. Shields' time-based RSU grant represents an annual director award of RSUs granted to Mr. Shields on June 2, 2021. The terms of his annual director award are discussed above in "Director Compensation" starting on page 24.

(4) Represents the cash portion of the Annual Bonus opportunity based on achievement of the 2021 Milestones. The material terms of the Annual Bonus opportunity are discussed in "Annual Bonus Opportunity" starting on page 38.

(5) Represents the equity portion of the Annual Bonus opportunity based on achievement of the 2021 Milestones. The awards are RSUs that are granted based upon achievement of milestones and once received by a Named Executive Officer, subject to three-year vesting terms. The material terms of the Annual Bonus opportunity are discussed in "Annual Bonus Opportunity" starting on page 38. The Grant Date is the date that the Annual Bonus opportunity was approved by the Board of Directors, except in the case of Ms. Kinlaw, whose Grant Date was her employment start date.

(6) Represents an equity inducement grant awarded to Ms. Kinlaw on her start date. The award is a grant of RSUs that are subject to three-year vesting terms.

Shields Consulting Agreement

In connection with his appointment as Interim Chief Executive Officer and President, the Company entered into a Consulting Agreement with Gerald W. Shields effective August 5, 2020 (as amended, the "Shields Consulting Agreement"). Under the Shields Consulting Agreement, Mr. Shields served as Interim Chief Executive Officer and President of the Company.

2020 Compensation – In 2020, Mr. Shields received a consulting fee of $14,500 per week (representing an annualized consulting fee of $754,000) ("Initial Consulting Fee"). The Board and Compensation Committee considered market data provided by Pearl Meyer when setting the Initial Consulting Fee. Additionally, in March 2021, the Compensation Committee and the Board approved a bonus of $125,000, which was paid to Mr. Shields on March 23, 2021, to compensate Mr. Shields for the leadership that he provided to the Company in 2020, while navigating through significant internal and external disruptions, uncertainties and challenges including a change in control, change in leadership, litigation and a global pandemic. Such bonus was also intended to compensate Mr. Shields for his loss of board fees.

2021 Compensation – Effective January 1, 2021, the Board and Compensation Committee authorized an increase in the Initial Consulting Fee to $15,500 per week (representing an annualized consulting fee of $806,000). In September 2021, in recognition that Mr. Shields would lead the Company for most, if not all of 2021, the Board approved the addition of a short-term incentive bonus opportunity for Mr. Shields of up to $700,000. The earn-out of the bonus opportunity was based on the 2021 Milestones approved by the Board for the Named Executive Officers.

Pursuant to the Shields Consulting Agreement, Mr. Shields was also entitled to reimbursement of reasonable and necessary expenses for travel incurred, both from his home (located greater than 100 miles from Austin, Texas), and business expenses.

The foregoing summary of the Shields Consulting Agreement is not complete and is subject to, and qualified by reference to, (i) the full text of the Shields Consulting Agreement filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 11, 2020, (ii) the Amendment to the Shields Consulting Agreement filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K filed with the SEC on March 10, 2021, and (iii) Amendment No. 2 to the Shields Consulting Agreement filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 4, 2021.

OUTSTANDING EQUITY AWARDS AT 2021 YEAR-END

The following table shows information regarding the outstanding RSU awards held by each of the Named Executive Officers as of December 31, 2021.

Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested [1] ($)
Gerald W. Shields	6/2/2021	2,023 [2]	10,742
Jeffery P. Conklin	4/15/2020	29,054 [3]	154,277
	1/29/2021	35,448 [4]	188,229
Sheryl Kinlaw	7/1/2021	24,000 [5]	127,440
Robert M. Mauldin III	4/15/2020	23,649 [3]	125,574
	1/29/2021	33,995 [4]	180,513
Harvey J. L. Waite	1/29/2021	8,093 [4]	42,974

(1) The dollar amounts are determined by multiplying the number of RSUs by $5.31, the closing price of the Company's Class A common stock on December 31, 2021, the last trading day of the Company's fiscal year.

(2) All of the RSUs are scheduled to vest on June 2, 2022 (the first anniversary of the date of the grant), provided that Mr. Shields continues to serve as a director through the vesting date.

(3) All of these RSUs vested on April 15, 2022 (the second anniversary of the date of the grant).

(4) One-third of the RSUs vested subsequent to December 31, 2021, on January 29, 2022 (the first anniversary of the date of the grant). One-third of the RSUs are scheduled to vest on January 29, 2023 (the second anniversary of the date of the grant) and the remaining one-third are scheduled to vest on January 29, 2024 (the third anniversary of the date of grant), provided that the Named Executive Officer continues to be employed with the Company through the vesting date.

(5) Represents equity inducement grant awarded to Ms. Kinlaw on her start date.

STOCK VESTED

The following table shows information regarding the vesting of RSUs during 2021 that were granted to the Named Executive Officers prior to 2021.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)[1]**
Gerald W. Shields	1,575	8,174
Jeffery P. Conklin	42,277	249,384
Sheryl Kinlaw	–	–
Robert M. Mauldin III	39,849	235,881
Harvey J. L. Waite	–	–

(1) The dollar amounts are determined by multiplying the number of shares that vested by the per share closing price of the Company's Class A common stock on the vesting date.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

At December 31, 2021, the following agreements contain provisions whereby a Named Executive Officer may receive a payment following termination of employment or a change in control of the Company:

- RSU Agreements
- Executive Change in Leadership Agreements

RSU Agreements

Pursuant to the terms of the award agreements for RSUs granted to all recipients under our Omnibus Incentive Plan, certain unvested RSUs shall become vested on an accelerated basis in the following circumstances:

(a) death or Disability (as Disability is defined in §22(e)(3) of the Internal Revenue Code);

(b) Termination of employment without Cause; or

(c) Change in Control

(a) Death or Disability – 100% vested

(b) Termination of employment without Cause – pro-rata vesting occurs calculated by reference to the numbers of completed months of employment or service from the most recent vesting date (or grant date, as the case may be) as a fraction of the number of months that make up the period from the most recent vesting date (or grant date, as the case may be) through the next vesting date.

"Cause" means:

- a material breach of any agreement to which the recipient and the Company are parties;
- any act (other than retirement) or omission to act, including without limitation, the commission of any crime (other than ordinary traffic violations) that may have a material and adverse effect on the business of the Company or on the recipient's ability to perform services for the Company; or
- any material misconduct or neglect of duties in connection with the business or affairs of the Company.

(c) Change in Control – 100% vested if "Termination of Employment or Service in Connection with a Change of Control"

"Termination of Employment or Service in Connection with a Change of Control" means a termination of employment within the one-year period beginning on the date of a Change in Control:

- by the Company for any reason other than Cause; or
- by the recipient for Good Reason

"Good Reason" generally means a material reduction in base salary or wage rate or target incentive opportunity; or the relocation of the principal place of employment to a location more than fifty miles from the Named Executive Officer's principal place of employment as of immediately prior to the Change of Control (subject to certain cure rights).

A "Change of Control" generally occurs when:

- we sell or otherwise dispose of all or substantially all of our assets;
- we consummate a merger or consolidation of the Company with or into another corporation where our shareholders do not continue to hold at least a majority of the surviving entity;
- any person, entity or group (other than the Company) becomes a beneficial owner of, or shall have obtained voting control over, more than a certain percentage of the outstanding shares of the Class A common stock
- under certain circumstances, our directors cease to constitute a majority of the Board; or
- our shareholders approve a plan of complete liquidation or dissolution of the Company.

The following table shows the amounts that each of the Named Executive Officers would have become entitled to under the terms of their RSU grant agreements had their employment or service been terminated on December 31, 2021. These benefits would not be duplicative of any payments made pursuant to the Change in Leadership Agreements described below.

	Death or Disability ($) (1)	Termination without Cause ($) (1)	Termination of Employment or Service in Connection with a Change of Control ($) (1)
Gerald W. Shields	10,742	6,266	10,742
Jeffery P. Conklin	342,506	275,394	342,506
Sheryl Kinlaw	127,440	63,720	127,440
Robert M. Mauldin III	306,087	249,186	306,087
Harvey J. L. Waite	42,974	39,393	42,974

(1) The dollar amounts are determined by multiplying the number of shares subject to the accelerated RSUs by $5.31, the closing price of the Company's Class A common stock on December 31, 2021.

The foregoing summary is not complete and is subject to, and qualified by reference to, the full text of the Form of Citizens, Inc. Employee Restricted Stock Unit Agreement filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K filed with the SEC on March 29, 2018.

Executive Change in Leadership Agreements

On November 3, 2021, the Company entered into an Executive Change in Leadership Agreement (the "Change in Leadership Agreement") with each of its Named Executive Officers (other than Mr. Shields). The Compensation Committee and the Board determined that the Change in Leadership Agreement would, among other things, help preserve leadership continuity in light of the Company's search for a permanent Chief Executive Officer.

Pursuant to the Change in Leadership Agreements, a Named Executive Officer would become entitled to a payment if, within one year of November 3, 2021:

(a) There is a Change in Leadership or a Change of Control; AND

(b) The Named Executive Officer is terminated without Cause within one year of the Change in Leadership or Change of Control.

"Change in Leadership" means the replacement of Gerald W. Shields with a new Chief Executive Officer.

"Change of Control" generally has the same meaning as described above.

Under such circumstances, a Named Executive Officer would be entitled to:

- 6 months base salary
- A pro-rata portion of the target Annual Bonus opportunity for the year in which the Named Executive Officer is terminated, plus, if the termination occurs before a bonus is paid for a prior fiscal year (e.g., terminated in January of a calendar year), the Named Executive Officer shall receive 100% of the target bonus for such prior year if he or she has not already been paid as of the date of termination;
- reimbursement of six (6) months of COBRA continuation payments; and
- vesting of all outstanding RSUs

(collectively, the "Termination Payment").

The following table shows the estimated Termination Payment each Named Executive Officer (other than Mr. Shields) would have become entitled to under the terms of the Change in Leadership Agreement had there been a Change in Leadership or Change of Control and his or her employment had been terminated without Cause on December 31, 2021.

Benefits	Jeffery P. Conklin	Sheryl Kinlaw	Robert M. Mauldin III	Harvey J. L. Waite
6-months COBRA ($)	$7,382	$0	$11,833	$11,833
6-month base salary ($)	215,000	150,000	175,000	170,000
Pro-rata (365 / 365) payout of target bonus	291,960	118,000	238,000	204,000
Acceleration of Vesting of RSUs ($) (1)	342,506	127,440	306,087	42,974
Total ($)	$856,848	$395,440	$730,920	$428,807

(1) The dollar amounts are determined by multiplying the number of shares subject to the accelerated RSUs by $5.31, the closing price of the Company's Class A common stock on December 31, 2021.

(2) Ms. Kinlaw did not participate in the Company's health plan in 2021 and thus no COBRA benefits would have been paid.

The foregoing summary of the Change in Leadership Agreements is not complete and is subject to, and qualified by reference to, the full text of the Change in Leadership Agreement filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 4, 2021.

CEO PAY RATIO

Name	Consulting Fee ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Gerald W. Shields	822,945	10,499	606,667	18,176[(5)]	1,458,287

CEO Pay Ratio: approximately 24 to 1

The total annual compensation of Mr. Shields for 2021 ($1,458,287) was 24 times the median annual total compensation of all of our employees ($60,036).

Calculation of Mr. Shields total annual compensation:

As disclosed in the Summary Compensation Table of this Proxy Statement on page 46, Mr. Shields had annual total compensation of $1,458,287 in 2021.

Calculation of median annual total compensation of all our employees:

We identified our median employee by examining the total cash compensation for all of the 215 employees who were employed by us on December 31, 2021. Mr. Shields was not an employee as of such date.

We believe the use of total cash compensation for all employees is a consistently applied compensation measure that reasonably reflects the annual compensation of our employees. We included all employees, whether employed on a full-time or part-time basis and did not exclude any non-U.S. employees. We did not make any assumptions, adjustments or estimates with respect to total cash compensation (except for the fact that we annualized the compensation for any full-time or part-time employees who were not employed by us for all of 2021).

STOCK OWNERSHIP INFORMATION

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table provides information as of April 12, 2022, on the beneficial ownership of our Class A common stock by (1) each of our directors and nominees, (2) each of the other named executive officers and (3) all of our directors and executive officers as a group.

Each person listed below has sole voting and investment power for all shares held by such person.

The address for each person listed below is: Citizens, Inc., 11815 Alterra Parkway, Suite 1500, Austin, Texas 78758.

NAME OF BENEFICIAL OWNER	CLASS A SHARES OWNED	PERCENT OF CLASS (1)
Directors and Nominees		
Christopher W. Claus	13,911	*
Cynthia H. Davis	0	*
Jerry D. Davis, Jr.	4,591	*
Dr. E. Dean Gage	6,370	*
Francis A. Keating II	4,591	*
Dr. Terry S. Maness	4,591	*
J. Keith Morgan	0	*
Gerald W. Shields	16,470	*
Dr. Robert B. Sloan, Jr.	43,662	*
Mary Taylor	0	*
Other Named Executive Officers		
Jeffery P. Conklin	56,130	*
Sheryl Kinlaw	1,280	*
Robert M. Mauldin III	46,851	*
Harvey J. L. Waite	3,906	*
Directors and executive officers as a group		
(14 individuals)	202,353	*

* Less than one percent (1%).

(1) Based on 50,428,935 shares of Class A common stock outstanding as of April 12, 2022.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

Except as otherwise noted, the following table provides information as of April 12, 2022, with respect to the number of shares of our Class A common stock owned by each person known by the Company to be the beneficial owner of more than 5 percent of our Class A common stock.

NAME OF BENEFICIAL OWNER	CLASS A SHARES OWNED	PERCENT OF CLASS (1)
Galindo, Arias & Lopez (as trustee of four non-U.S. trusts and/or record holder) c/o Gala Trust and Management Services, Inc., Scotia Plaza, 9th Floor, Federico Boyd Avenue 18 and 51 Street, Panama 5, Republic of Panama	4,121,765	8.2% (2)
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	3,462,158	6.9% (3)

(1) Based on 50,428,935 shares of Class A common stock outstanding as of April 12, 2022. The ownership percentages set forth in this column are based on the assumption that each of the beneficial owners continued to own the number of shares reflected in the table above on such date.

(2) The information is based on a Schedule 13G/A filed by Galindo, Arias & Lopez ("GA&L"), Gala Trust and Management Services, Inc. ("Gala Management") and GAMASE Insureds Trust ("Gamase," and together with GA&L and Gala Management, the "GALA") with the SEC on February 4, 2019, reporting beneficial ownership as of December 31, 2018. GALA has not filed a Schedule 13G/A with the SEC regarding ownership of the Company's stock since such date. As of such date, the reporting persons reported that GA&L has shared dispositive power with respect to 4,121,765 shares of Class A common stock, Gala Management has shared dispositive power with respect to 2,787,731 shares of Class A common stock and Gamase has shared dispositive power with respect to 2,526,980 shares of Class A common stock.

To our knowledge, GA&L is the sole owner of Gala Management and Regal Trust (BVI) Ltd. ("Regal"), who serves as trustee for trusts that hold shares of the Company's Class A common stock. Gala Management serves as trustee of Gamase, which holds 2,526,980 shares, and as trustee of an additional trust that holds 260,751 shares of our Class A common stock, making Gala Management the indirect beneficial owner of 2,787,731 shares. Regal serves as trustee of two trusts, one of which holds 1,101,321 shares of Class A common stock and the other of which holds 232,713 shares, making Regal the indirect beneficial owner of 1,334,034 shares. As sole owner of Gala Management and Regal, GA&L is deemed to beneficially own all shares beneficially owned by them, or a total of 4,121,765 shares of the Company's outstanding Class A common stock.

(3) The information is based on a Schedule 13G/A filed by BlackRock, Inc. with the SEC on February 1, 2022, reporting beneficial ownership as of December 31, 2021. BlackRock, Inc. reported with respect to our Class A common stock: sole voting power - 3,397,603 shares; sole dispositive power - 3,462,158 shares; no shared voting or dispositive power.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

ANNUAL MEETING

The Annual Meeting will be held at the Company's principal executive office at 11815 Alterra Parkway, Suite 1500, Austin, Texas 78758 on Tuesday, June 7, 2022, at 10:00 a.m. Central Daylight Time.

ATTENDING THE ANNUAL MEETING

If you plan on attending the Annual Meeting in person, you will be required to present a valid, government-issued photo identification (e.g., driver's license or passport) to enter the Annual Meeting. If you are a shareholder of record, your ownership of Common Stock will be verified against the list of shareholders of record as of the Record Date prior to being allowed to enter the Annual Meeting. If you are a beneficial owner and hold your shares of Common Stock in "street name" (i.e., your shares of Common Stock are held in a brokerage account or by a bank or other nominee), you will need to provide evidence of beneficial ownership as of the Record Date, such as an account statement or letter from the shareholder of record (i.e., your broker, bank or other nominee), and a copy of the voting instruction form provided by the shareholder of record.

Seating at the Annual Meeting will begin at 10:00 a.m. (Central Daylight Time) on June 7, 2022. The health and safety of our shareholders and other participants at the Annual Meeting is of the utmost importance. In light of public health concerns related to the coronavirus (COVID-19), we intend to institute safety precautions at the Annual Meeting consistent with applicable guidelines of public health authorities, which will include appropriate social distancing and may include seating shareholders in a separate room from the presenters, with full opportunity to hear the presenters, vote and participate in any discussion, and may take other actions as necessary to protect all attendees from undue risk of exposure to the virus. We suggest arriving at least 30 minutes early to the Annual Meeting to allow sufficient time to complete the admission process. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting. Admission will close ten minutes before the Annual Meeting begins. If you do not provide a valid, government-issued photo identification or do not comply with the other procedures described above, you will not be admitted to the Annual Meeting. The Company reserves the right to remove from the Annual Meeting persons who disrupt the Annual Meeting or who do not comply with the rules and procedures for the conduct of the Annual Meeting.

PROXY MATERIALS

The proxy materials for the Annual Meeting include the Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K. If you received a paper copy of these materials, the proxy materials also include a proxy card or voting instruction form.

NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

We are furnishing proxy materials to our shareholders primarily via "Notice and Access" delivery pursuant to SEC rules. On or about April 25, 2022, we mailed to our shareholders (other than those who previously requested a printed set) a "Notice Regarding the Availability of Proxy Materials" (the "notice") containing instructions on how to access the proxy materials via the Internet. Utilizing this method of proxy delivery expedites receipt of proxy materials by our shareholders and reduces our cost of producing and mailing the full set of proxy materials. If you receive a notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access the proxy materials and vote over the Internet. If you received a notice by mail and would like to receive paper copies of our proxy materials in the mail, you may follow the instructions in the notice for making this request. The notice also contains instructions on how you may request to receive an electronic copy of our proxy materials by e-mail.

Our proxy materials are also available on our website at www.citizensinc.com. If you vote by Internet, simply go to www.envisionreports.com/cia and follow the prompts regarding electronic distribution consent on that site.

PROXY SOLICITATION

We bear all expenses incurred in connection with the solicitation of proxies. We have engaged Alliance Advisors, LLC to assist with the solicitation of proxies for a fee of $10,000, plus expenses. Our directors, officers and employees also may solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities. We will reimburse banking institutions, brokerage firms, custodians, nominees and fiduciaries for their costs in forwarding proxy materials to beneficial owners of our Class A common stock.

VOTING

Each share of the Company's Class A common stock may cast one vote on each matter. Only shareholders of record at the close of business on April 12, 2022 are entitled to vote at the Annual Meeting. As of the Record Date, we had 50,428,935 shares of Class A common stock outstanding and entitled to vote and 0 shares of Class B common stock outstanding and entitled to vote. Our Class B common stock is classified as authorized but unissued stock and will not be voted at any shareholder meeting while it is classified in such status. If your shares are registered directly in your name with the Company's registrar and transfer agent, Computershare Trust Company, N.A. ("Computershare"), you are considered a shareholder of record with respect to those shares. If your shares are held in a bank or brokerage account, you are considered the "Beneficial Owner" of those shares and should respond to the communication you receive from the holder of record as soon as possible so your shares can be represented at the Annual Meeting.

VOTING PROCEDURES

Shareholders of record may vote using any of the methods listed below. If you vote in advance (methods 1, 2 or 3, we must receive your vote by 11:59 p.m. Eastern Daylight Time on June 6, 2022.

1. **BY MAIL**: If you requested printed copies of the proxy materials by mail, you will receive a proxy card, and you may vote by marking, signing and dating your proxy card and returning it in the postage-paid envelope provided. The named proxies will vote your stock according to your directions. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your stock in favor of the proposals.

2. **BY TELEPHONE**: **Call toll-free (800) 652-VOTE (8683).**

   - Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week.
   - Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the recorded message provides you.

3. **ONLINE**: **http://www.envisionreports.com/cia** OR use the **QR code** on your proxy card.

   - Use the Internet to vote your proxy 24 hours a day, 7 days a week.
   - Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

4. **IN PERSON:** You may vote in person at the Annual Meeting. If your stock is held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, to be able to vote at the Annual Meeting.

If your shares are held in a bank or brokerage account, your bank or broker will provide you with materials and instructions for voting your shares. Please check with your bank or broker and follow the voting procedures they provide to vote your shares.

If you have any questions or require assistance with voting your shares, you may also contact Alliance Advisors, LLC at 200 Broadacres Drive, Bloomfield, New Jersey 07003. Shareholders may call toll free: **800-574-5928.**

REVOCATION OF PROXIES

A shareholder may revoke his or her proxy at any time before it is voted at the Annual Meeting by:

- giving written notice of revocation to the Secretary of the Company;
    - if before the commencement of the Annual Meeting to the person serving as Secretary at the Annual Meeting site; or
    - if delivered before the date of the Annual Meeting, the Secretary of the Company at Citizens' offices at P. O. Box 149151, Austin, Texas 78714-9151;
- delivering no later than the commencement of the Annual Meeting a properly-executed, later-dated proxy; or
- voting in person at the Annual Meeting.

CITIZENS, INC. STOCK INVESTMENT PLAN PARTICIPANTS

Citizens Stock Investment Plan ("SIP") participants are shareholders of record and thus have the right to vote all shares of Class A common stock credited to their SIP account in person or by proxy. Each SIP participant's proxy card includes the participant's whole or fractional shares of the Company's Class A common stock which such participant has the right to vote. A participant's shares will not be voted unless a participant or the participant's proxy votes them. As described below, the SIP administrator may submit a participant's unvoted shares at a shareholder meeting, solely for purposes of establishing a quorum, unless the participant objects by notifying us in writing. For more information about the SIP, please see the SIP prospectus contained in the Company's Registration Statement on Form S-3 (Registration No. 333-260955) filed with the SEC.

QUORUM

At the Annual Meeting, a quorum will require the presence, in person or by proxy, of the holders of a majority of the voting power represented by our shares of Class A common stock entitled to vote. Proxies received but marked as abstentions and broker non-votes are counted as present for purposes of determining quorum. Additionally, unless a SIP participant notifies the Company in writing that it elects to withhold the SIP administrator's authority, the plan administrator is deemed to have the written authorization to appear in person or by proxy at any annual or special meeting of shareholders of the Company and to submit the participant's unvoted shares at the meeting for the sole purpose of determining a quorum. If a quorum is not present or represented at the meeting, the shareholders entitled to vote have the power to adjourn or recess the meeting without notice, other than announcement at the meeting, until a quorum is obtained. At a reconvened meeting where a quorum is obtained, any business may be transacted which might have been transacted at the meeting as originally noticed.

VOTING REQUIREMENTS

For Proposal No. 1 (Election of Directors), you may vote "FOR" or "WITHHOLD" for each nominee, or "ABSTAIN" from voting. Under the Company's Bylaws, as permitted by Colorado law, director nominees with the highest number of votes cast "FOR" their election will be elected to the Board. Cumulative voting is not permitted. Director nominees receiving the highest number of votes cast "FOR" their election by the shareholders will be elected to the Board of Directors. Votes that are withheld or voted in abstention will be excluded entirely from the vote and will have no effect other than for purposes of establishing quorum. According to NYSE Rule 452, as amended, brokers who have not received instructions from their customers in uncontested elections may not vote shares held in street name in the election of directors, and in certain other matters. Therefore, regardless of the number of shares you hold or whether you cast a vote, providing your properly executed proxy is very important.

Under our Director Resignation Policy, if a director receives more "withhold" votes than "for" votes, such director will be required to submit his or her resignation for Board consideration.

For Proposal No. 2 (Ratification of the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2022), you may vote "FOR" or "AGAINST" such proposal or "ABSTAIN" from voting. Such proposal requires for approval that the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal. For these votes, abstentions and broker non-votes will be disregarded and will have no impact on the vote.

For Proposal No. 3 (Approval, on a non-binding advisory basis of executive compensation), you may vote "FOR" or "AGAINST" each proposal or "ABSTAIN" from voting. Each proposal requires for approval that the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal. For these votes, abstentions and broker non-votes will be disregarded and will have no impact on the vote. Because your votes on executive compensation are advisory, they will not be binding upon the Company or the Board. However, the Compensation Committee will consider the outcome of the votes when considering future executive pay.

OTHER INFORMATION

ADDITIONAL SHAREHOLDER MATTERS

OTHER BUSINESS

Our Bylaws require shareholders to give advance notice of any proposal intended to be presented at the annual meeting. The deadline for this notice has passed and the Company has not received any such notice. If any other matter properly comes before the shareholders for a vote at the meeting, however, the proxy holders will vote your shares in accordance with their best judgment.

SHAREHOLDER PROPOSALS FOR 2023 ANNUAL MEETING OF SHAREHOLDER AND NOMINATIONS

A shareholder who intends to have a shareholder proposal included in our Proxy Statement for our 2023 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Exchange Act must submit the proposal so that it is received by the Secretary of the Company at the mailing address for our principal executive offices at Citizens, Inc., P.O. Box 149151, Austin, Texas 78714-9151 no later than December 26, 2022. Any submission must comply with all the requirements of Rule 14a-8 applicable to shareholder proposals.

The Company's Bylaws generally require advance written notice from a shareholder seeking to present any nominations for election to the Board of Directors or any other proposal, not for inclusion in next year's proxy statement but directly at the 2023 Annual Meeting of Shareholders. Pursuant to the Bylaws, notice must be received by the Secretary of the Company at the mailing address for our principal executive offices at Citizens, Inc., P.O. Box 149151, Austin, Texas 78714-9151 no earlier than the close of business on February 7, 2023, and no later than the close of business on March 9, 2023. The notice must include all of the information required by the Company's Bylaws. In order to curtail controversy as to the date on which a proposal was received by us, it is suggested proponents submit their proposals by certified mail-return receipt requested.

ANNUAL REPORT ON FORM 10-K

The Annual Report, which includes our Form 10-K and accompanies this Proxy Statement, is not considered a part of the proxy solicitation material. We will furnish to any shareholder, without charge, a copy of our Annual Report, as filed with the SEC. A request for the report can be made in writing to the Secretary of the Company at Citizens, Inc., P. O. Box 149151, Austin, Texas 78714-915. The Form 10-K and other public filings are also available through the SEC's website at www.sec.gov and on our website at www.citizensinc.com.

HOUSEHOLDING

The SEC rules allow us, subject to certain conditions, to send only one Proxy Statement and Annual Report or Notice to two or more shareholders who share the same last name and address. This "householding" rule provides greater convenience for our shareholders and cost savings for us by reducing the number of duplicate documents that households receive. Also, this allows us to be more environmentally friendly by reducing the unnecessary use of materials. Please note that each shareholder will continue to receive a separate proxy card, which will allow each individual to vote independently.

If you are a Citizens, Inc. shareholder who resides in the same household with another Citizens, Inc. shareholder with the same last name, or if you hold more than one account with Computershare registered in your name at the same address and wish to receive a separate or single proxy statement and annual report or notice for each account, please contact our transfer agent, Computershare.

Computershare Investor Services
P. O. Box 505000
Louisville, KY 40233-5000

Shareholder Services Number(s): 877-785-9659 (toll free within the USA, US territories & Canada) or 1-781-575-4621 (International Direct Dial). Investor Centre™ portal: www.computershare.com/investor.

You may revoke your consent at any time by contacting Computershare using the same contact information as set forth above.

CITIZENS

Citizens, Inc. 2022 Proxy Statement