

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): March 10, 2016

WESTWOOD HOLDINGS GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-31234
(Commission
File Number)

75-2969997
(I.R.S. Employer
Identification Number)

200 Crescent Court, Suite 1200
Dallas, Texas 75201
(Address of principal executive offices, including zip code)

(214) 756-6900
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Approval of Fourth Amendment to Stock Incentive Plan

On March 10, 2016, the Board of Directors (the “Board”) of Westwood Holdings Group, Inc. (the “Company”), based on the recommendation of the Compensation Committee of the Board (the “Compensation Committee”), approved an amendment (the “Fourth Amendment”) to the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, as amended (the “Plan”). The Fourth Amendment, which will become effective on the date of the Company’s 2016 annual meeting of stockholders, expands the possible performance measures that can be established by the Board or the Compensation Committee with respect to annual incentive awards or performance-based awards. The Fourth Amendment also permits the Board or the Compensation Committee to adjust the performance measures in a manner that complies with Treasury Regulations governing modifications to performance measures under Internal Revenue Code §162(m) and applicable regulations (“Section 162(m)”). Additionally, under the Fourth Amendment, the Board or Compensation Committee may designate any awards available under the Plan as performance-based awards. Finally, the Fourth Amendment restricts the number of shares of the Company’s common stock that can be settled, or cash that can be paid, in respect of a performance-based award in a single calendar year to any Plan participant.

The foregoing description of the Fourth Amendment and the Plan is not complete and is qualified in its entirety by reference to the Fourth Amendment and the Plan. The Fourth Amendment is attached hereto as Exhibit 10.1 and is incorporated herein by reference. The Plan was filed with the Registration Statement on Form S-8 filed with the Securities and Exchange Commission (the “SEC”) on July 1, 2009. Amendment to the Plan was filed with the Quarterly Report on Form 10-Q filed with the SEC on October 21, 2010. Amendment 2011-1 to the Plan was filed with the Registration Statement on Form S-8 filed with the SEC on July 21, 2011. Second Amendment to the Plan was filed with the Registration Statement on Form S-8 filed with the SEC on April 18, 2013. The Third Amendment to the Plan was filed with the Registration Statement on Form S-8 filed with the SEC on April 29, 2015.

(e) Adoption of Umbrella Bonus Pool

On March 10, 2016, the Compensation Committee approved the adoption of an annual bonus pool under the terms of the Plan (the “Umbrella Bonus Pool”). The purpose of the Umbrella Bonus Pool is to enable the Company to grant performance-based incentive awards to executive officers that qualify as “performance-based compensation” under Section 162(m). A participant in the Umbrella Bonus Pool is eligible to earn an annual bonus for a specified calendar year performance period (each such one-year period, an “Umbrella Performance Cycle”) up to the amount of his or her awarded share of the Umbrella Bonus Pool. The Compensation Committee, however, will have complete discretion to reduce, but not increase, the amount of the bonus, if any, payable to a participant under the Umbrella Bonus Pool. The amount credited to the Umbrella Bonus Pool for each Umbrella Performance Cycle will be equal to twenty-one percent (21%) of the Company’s adjusted pre-tax income for the Umbrella Performance Cycle, as certified by the Compensation Committee in accordance with Section 162(m). Pursuant to the terms of the Plan, the maximum amount that can be paid to a participant under Umbrella Bonus Pool for any Umbrella Performance Cycle is \$5,000,000 (or such lesser amount as may be prescribed under the Plan). Participants must remain continuously employed by the Company through the payment date to receive payment of a bonus under the Umbrellas Bonus Pool.

The Compensation Committee will approve the list of participants in the Umbrella Bonus Pool and each participant’s share of the pool on or before March 30 of each Umbrella Performance Cycle. The Compensation Committee approved all named executive officers as set forth in our 2016 Proxy Statement and certain other senior employees as participants for the 2016 Umbrella Performance Cycle.

(e) Approval of 2016 Annual Bonus Award to Chief Executive Officer

On March 10, 2016, the Compensation Committee approved an annual cash incentive bonus award under the Plan for Brian O. Casey, the Company’s Chief Executive Officer, in the “target” amount of \$1,350,000 with potential payout ranging from 0% to 185% of target based on the Committee’s certification, on or before March 15, 2017, of the Company’s fiscal 2016 performance with respect to each of the following performance measures (weighted equally): investment performance; service and sales; financial results; and strategic results. Mr. Casey will earn 0% of his target award for below-threshold performance, 50% for threshold-level performance, 100% for target-level performance, and 185% for performance at or above the maximum performance level, in each case as certified by the Compensation Committee following the end of the 2016 fiscal year.

(e) Award of Performance Shares to Chief Executive Officer

On March 10, 2016, the Compensation Committee approved an award of 35,766 performance shares (the "Performance Shares") to Brian O. Casey, the Company's Chief Executive Officer. The Performance Shares are subject to a Performance Share Agreement, dated as of March 10, 2016 (the "Performance Share Agreement"), under the Plan (as defined above), and are intended to qualify for the performance-based exception to Section 162(m). Each Performance Share represents the right to receive one share of the Company's common stock (and any dividends declared and paid on such shares since the grant date), subject to the achievement of specified performance goals and time-based vesting requirements.

All of the Performance Shares are subject to a performance condition based on the Company's adjusted pre-tax income for the period from January 1, 2016 to December 31, 2016 (the "Performance Cycle"). Mr. Casey will earn 17,883 of the Performance Shares (the "Category 1 Shares") if the Company achieves adjusted pre-tax income for the Performance Cycle equal to or exceeding the level specified by the Compensation Committee and set forth in the Performance Share Agreement. Mr. Casey will earn between 0% and 185.25% of the remaining 17,883 Performance Shares (the "Category 2 Shares") based on the Company's adjusted pre-tax income for the Performance Cycle, as measured against the threshold, target and maximum performance levels established by the Compensation Committee and set forth in the Performance Share Agreement. Mr. Casey will earn 0% of the Category 2 Shares for below-threshold performance, 50% for threshold-level performance, 100% for target-level performance, and 185.25% for performance at or above the maximum performance level, in each case as certified by the Compensation Committee following the end of the Performance Cycle. The number of earned Category 2 Shares for performance between each of the performance level will be calculated using straight-line interpolation.

Any earned Category 1 Shares and Category 2 Shares will cumulatively vest 33%, 67% and 100% on the first, second and third anniversaries of the grant date, respectively, subject to Mr. Casey's continuous employment with the Company through each vesting date. Notwithstanding, if Mr. Casey's employment terminates due to death or Disability (as defined in the Plan) or the Company undergoes a Change in Control (as defined in Mr. Casey's Executive Employment Agreement, dated as of December 17, 2015), either (a) during the Performance Cycle, all Category 1 Shares and 100% of the Category 2 Shares will fully vest effective upon the termination date or (b), following the last day of the Performance Cycle, all of the unvested but earned Category 1 Shares and Category 2 Shares will fully vest. If Mr. Casey is terminated without Cause (as defined in the Plan) or terminates his employment for Good Reason (as defined in the Performance Share Agreement), either (a) during the Performance Cycle, all Category 1 Shares and Category 2 Shares shall remain outstanding and eligible to vest as if Mr. Casey's employment had continued and subject to achievement of the applicable performance goals or (b) following the last day of the Performance Cycle, all of the unvested but earned Category 1 Shares and Category 2 Shares will fully vest.

The foregoing description of the Performance Share Agreement is not complete and is qualified in its entirety by reference to the Form of Performance Share Agreement, which is attached hereto as Exhibit 10.2 and is incorporated herein by reference. The Compensation Committee expects that the Form of Performance Share Agreement will be used for future grants of Performance Shares to executives.

(e) Award of One-Time Performance Shares to Chief Executive Officer

On March 10, 2016, the Compensation Committee approved an award of 35,000 performance shares (the "One-Time Performance Shares") to Mr. Casey. The One-Time Performance Shares are subject to a Performance Share Agreement, dated as of March 10, 2016 (the "One-Time Performance Share Agreement"), under the Plan, and are intended to qualify for the performance-based exception to Section 162(m). Each One-Time Performance Share represents the right to receive one share of the Company's common stock (and any dividends declared and paid on such shares since the grant date), subject to the achievement of a specified performance goal and time-based vesting requirements.

All of the One-Time Performance Shares are subject to a performance condition based on the Company's adjusted pre-tax income for the period from January 1, 2016 to December 31, 2016 (the "One-Time Performance Cycle"). Mr. Casey will earn all of the One-Time Performance Shares if the Company achieves adjusted pre-tax income for the One-Time Performance Cycle equal to or exceeding the level specified by the Compensation Committee and set forth in the One-Time Performance Share Agreement.

If earned, the One-Time Performance Shares will cumulatively vest 50% and 100% on the first and second anniversaries of the grant date, respectively, subject to Mr. Casey's continuous employment with the Company through each vesting date. The One-Time Performance Shares are subject to the same vesting provisions with respect to a Change in Control or any termination of Mr. Casey's employment as discussed above with respect to the Category 1 Shares.

The foregoing description of the One-Time Performance Share Agreement is not complete and is qualified in its entirety by reference to the One-Time Performance Share Agreement, which is attached hereto as Exhibit 10.3 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

- | | |
|------|---|
| 10.1 | Fourth Amendment to the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, dated as of March 10, 2016 |
| 10.2 | Form of Performance Share Agreement |
| 10.3 | One-Time Performance Share Agreement, dated as of March 10, 2016, between the Company and Brian O. Casey |

SIGNATURES

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

Date: March 11, 2016

WESTWOOD HOLDINGS GROUP, INC.

/s/ Brian O. Casey

Brian O. Casey

President & Chief Executive Officer

EXHIBIT INDEX

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**FOURTH AMENDMENT TO THE
THIRD AMENDED AND RESTATED WESTWOOD HOLDINGS GROUP, INC.
STOCK INCENTIVE PLAN**

THIS FOURTH AMENDMENT (the "*Fourth Amendment*") to the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, as amended from time to time (the "*Plan*"), is made by Westwood Holdings Group, Inc. (the "*Company*").

WITNESSETH:

WHEREAS, the Company previously adopted the Plan, under which the Company is authorized to grant equity-based and cash incentive awards to certain employees, consultants and non-employee directors of the Company or any of its parents or subsidiaries;

WHEREAS, Section 17 of the Plan provides that the Company's board of directors (the "*Board*") may amend the Plan from time to time without approval of the stockholders of the Company, except where approval of the stockholders is required by any applicable law, regulation or rule;

WHEREAS, the Board now desires to amend the Plan to make certain clarifying and non-material revisions which, in all cases, do not require the approval of the stockholders of the Company pursuant to any applicable law, regulation or rule; and

WHEREAS, the Board has determined that the Fourth Amendment shall be made effective as of the date of the Company's 2016 annual meeting (the "*Effective Date*").

NOW, THEREFORE, subject to the condition described in the preceding clause, the Plan shall be amended as of the Effective Date as set forth below:

1. Section 2.1(hh) of the Plan is hereby deleted and replaced in its entirety with the following:

"Performance Measure" means, with respect to any Annual Incentive Award or Performance-Based Award, one or more of the following business criteria established by the Board or the Committee to measure the level of performance of the Company during the Performance Cycle or applicable performance period(s), which (to the extent applicable) can be determined on a consolidated basis and/or for specified Subsidiaries or business or geographical units or divisions of the Company or any of its Subsidiaries: (i) net earnings or net income (before or after taxes, depreciation and amortization); (ii) cash earnings; (iii) earnings per share; (iv) net sales or revenue growth; (v) net operating income; (vi) return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales, or revenue); (vii) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow return on investment (discounted or otherwise)); (viii) operating income before interest, taxes, depreciation and amortization; (ix) return on stockholders' equity; (x) operating margins or operating expenses; (xi) value of the Company's stock or total return to stockholders; (xii) value of an investment in the Company's stock assuming the reinvestment of dividends; (xiii) assets under management; (xiv) performance of one or more of our investment products on an absolute basis or relative to a benchmark or peer group; (xv) adjusted pre-tax income; (xvi) cost targets, reductions and savings, productivity and efficiencies; (xvii) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology and goals relating to acquisitions, divestitures, joint ventures and similar transactions and budget comparisons; (xviii) personal professional objectives, consisting of one or more objectives based on the implementation of plans and policies, the negotiation of transactions, the development of long term business goals, formation of joint ventures, research or development collaborations and the completion of other corporation transactions; and/or (xix) a combination of any or all of the foregoing criteria; *provided, however*, that the Board or the Committee may provide that any of the foregoing business criteria shall be adjusted, in a manner that complies with Treas. Reg. § 1.162-27(e)(2)(iii), to reflect the impact of one or more of the following: taxes, depreciation, amortization, compensation, start-up, non-recurring, mergers and acquisitions, lift outs and/or other similar items of income or expense.

2. The following sentence is added to the end of Section 4.1 of the Plan:

Subject to adjustment as provided in Section 4.2 of the Plan, the maximum number of shares of Stock that may be settled in respect of a Performance-Based Award under the Plan in a single calendar year to any Participant is 316,033 shares. The maximum amount of cash payable in respect of a Performance-Based Award under the Plan in a single calendar year to any Participant is \$5,000,000.

3. Section 12.1 of the Plan is hereby deleted and replaced in its entirety with the following:

Performance-Based Awards. Notwithstanding anything to the contrary contained herein, the Board or the Committee may designate any of the Awards available under the Plan (including but not limited to Options, Restricted Stock, Annual Incentive Awards and Discretionary Bonus Awards) as conditioned on the achievement of specified Performance Measures (each such Award a “**Performance-Based Award**”). The grant, exercise, vesting or settlement of Performance-Based Awards may be conditioned on the achievement of specified Performance Goals, including in such a manner as to enable a Performance-Based Award to qualify for and comply with the requirements of Section 162(m) of the Code. The Performance Cycle or performance period(s) applicable to a Performance-Based Award shall be any period of time determined by the Board or the Committee.

RESOLVED FURTHER, that except as expressly modified by the Fourth Amendment, the terms of the Plan shall remain in full force and effect and are hereby confirmed and ratified.

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**PERFORMANCE SHARE AGREEMENT
UNDER THE THIRD AMENDED AND RESTATED
WESTWOOD HOLDINGS GROUP, INC. STOCK INCENTIVE PLAN**

WHEREAS, WESTWOOD HOLDINGS GROUP, INC., a Delaware corporation (the “Company”), previously established the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, as amended from time to time (the “Plan”); and

WHEREAS, this **PERFORMANCE SHARE AGREEMENT** (the “Agreement”), is made effective as of the [•] day of [•], 20__ (the “Date of Grant”), between the Company and [•] (the “Employee”), and sets forth the terms of the award of Performance Shares (as defined below) granted to Employee, which such award is intended to constitute a Performance-Based Award under the Plan; and

WHEREAS, the Compensation Committee of the Board of Directors (the “Committee”) has determined that it is in the best interests of the Company to establish a qualifying performance-based vesting formula for the Performance Shares to qualify for an exemption from the limits on deductibility of executive compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, [at its meeting/by unanimous written consent] on [•], the Committee approved the material terms of the performance-based vesting for the Performance Shares; and

WHEREAS, all of the terms and provisions of the Plan are incorporated herein by reference and made a part hereof, and all capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Performance Shares.

- A. The Company hereby grants to Employee, on the terms and conditions hereinafter set forth, [•] performance shares (the “Performance Shares”), with (i) [•] Performance Shares (the “Category 1 Shares”) subject to the vesting provisions and other terms set forth in Section 2.A. below and (ii) [•] Performance Shares (the “Category 2 Shares”) subject to the vesting provisions and other terms set forth in Section 2.B. below. Depending on the level of performance determined to be attained with respect to the applicable Performance Goal as described in Section 2.B. below, the number of Category 2 Shares that may be earned by the Employee hereunder may range from 0% to [•] of the Category 2 Shares (the “Eamed Category 2 Shares”). Each Performance Share represents the right to receive one share of Stock. The Performance Shares are described in the Plan as a Performance-Based Award subject to restrictions that lapse based on the achievement of Performance Goals during specified Performance Cycles and time-based vesting requirements.
- B. The Employee shall have right to receive an amount (a “Dividend Equivalent”) equal to dividends paid with respect to a number of shares of Stock equal to the number of Performance Shares granted hereunder; provided, however, that any such Dividend Equivalents shall be subject to the same conditions and restrictions (including vesting) applicable to the Performance Shares as set forth in the Agreement and the Dividend Equivalents shall be accrued (without interest) and paid to the Employee, in the same form as the associated dividend was paid to stockholders generally, as soon as practicable following the applicable vesting date under Section 2 below.

2. Vesting Terms.

- A. *Vesting of Category 1 Shares.* The Category 1 Shares, subject to the other terms and conditions set forth herein, shall vest subject to the satisfaction of a time-based vesting schedule and a performance-based vesting schedule. The Performance Cycle for the Category 1 Shares begins on January 1, 20__ and ends on December 31, 20__. Subject to the attainment of the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle, the Category 1 Shares shall become earned (the “Eamed Category 1 Shares”). The Eamed Category 1 Shares (if any) shall vest in accordance with the following vesting schedule, provided that the Employee remains continuously employed by the Company or any of its affiliates from the Date of Grant through each vesting date:

<u>Vesting Date</u>	<u>Cumulative Vested Percentage</u>
First Anniversary of the Date of Grant	33%
Second Anniversary of the Date of Grant	67%
Third Anniversary of the Date of Grant	100%

In addition, the vesting of the Eamed Category 1 Shares shall only occur following certification by the Committee of the achievement of the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle as soon as practicable following December 31, 2016. For the avoidance of doubt, if the Committee certifies that the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle has not been attained, no Category 1 Shares shall become Eamed Category 1 Shares and all Category 1 Shares shall be forfeited to the Company without consideration. If the vesting of any Eamed Category 1 Shares would yield a fractional share, such fractional share shall be rounded up to the nearest whole share.

- B. *Vesting of Category 2 Shares.* The Category 2 Shares, subject to the other terms and conditions set forth herein, shall vest subject to the satisfaction of a time-based vesting schedule and a performance-based vesting schedule. The Performance Cycle for the Category 2 Shares begins on January 1, 20__ and ends on December 31, 20__. The number of Eamed Category 2 Shares shall be determined according to the level of achievement with respect to the Performance Goal set forth on Exhibit A hereto for the Performance Cycle. The Eamed Category 2 Shares (if any) shall vest in accordance with the following vesting schedule, provided that the Employee remains continuously employed by the Company or any of its affiliates from the Date of Grant through each vesting date:

<u>Vesting Date</u>	<u>Cumulative Vested Percentage</u>
First Anniversary of the Date of Grant	33%
Second Anniversary of the Date of Grant	67%
Third Anniversary of the Date of Grant	100%

In addition, vesting of the Earned Category 2 Shares shall only occur following certification by the Committee of the achievement of the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle as soon as practicable following December 31, 20___. For the avoidance of doubt, if the Committee certifies that the level of achievement with respect to the Performance Goal set forth on Exhibit A hereto for the Performance Cycle is “Below Threshold,” no Category 2 Shares shall become Earned Category 2 Shares and all Category 2 Shares shall be forfeited to the Company without consideration. If the vesting of any Earned Category 2 Shares would yield a fractional share, such fractional share shall be rounded up to the nearest whole share.

C. *Termination of Employment.*

(i). Death or Disability. Upon the Employee’s termination of employment due to death or Disability, either (a) during the applicable Performance Cycle, all of the Category 1 Shares and 100% of the Category 2 Shares (i.e., a number of Category 2 Shares equal to the “Target” level of achievement with respect to the applicable Performance Goal) shall become fully vested, in each case, effective upon the date of such termination and without regard to the level of achievement with respect to the applicable Performance Goal(s) or (b) following the last day of the applicable Performance Cycle, all of the unvested Earned Category 1 Shares and unvested Earned Category 2 Shares shall become fully vested.

(ii). Without Cause; for Good Reason. Upon the Employee’s termination of employment by the Company without Cause or by the Employee for “Good Reason” (as defined below), either (a) during the applicable Performance Cycle, all Category 1 Shares and Category 2 Shares shall remain outstanding and eligible to vest following the date of termination as if the Employee’s employment had continued, contingent upon and subject to achievement of the applicable Performance Goal(s) as set forth in Section 2.A. or 2.B. above or (b) following the last day of the applicable Performance Cycle, all of the unvested Earned Category 1 Shares and unvested Earned Category 2 Shares shall become fully vested. For purposes of this Agreement, the term “Good Reason” shall have the meaning ascribed to such term in [the Plan/that certain Executive Employment Agreement dated as of [*], by and among the Company and the Employee, as amended from time to time (the “Employment Agreement”)].

(iii). Change in Control. Notwithstanding anything contained in this Agreement [or the Employment Agreement] to the contrary, upon the occurrence of a Change in Control either (a) during the applicable Performance Cycle, all of the Category 1 Shares and 100% of the Category 2 Shares (i.e., a number of Category 2 Shares equal to the “Target” level of achievement with respect to the applicable Performance Goal) shall become fully vested, in each case, effective upon the date of such Change in Control and without regard to the level of achievement with respect to the applicable Performance Goal(s) or (b) following the last day of the applicable Performance Cycle, all of the unvested Earned Category 1 Shares and unvested Earned Category 2 Shares shall become fully vested.

(iv). Other Terminations. Upon the Employee’s termination of employment for Cause by the Company or by the Employee without Good Reason at any time, any Performance Shares (including Earned Category 1 Shares and Earned Category 2 Shares as well as any accrued Dividend Equivalents) that have not vested prior to such date of termination shall be forfeited to the Company without consideration.

3. **Settlement.** Payment in respect of vested Performance Shares shall be made as soon as administratively practicable, but in no event later than the 25th business day, following the applicable vesting date pursuant to Section 2 above, upon which the Company shall issue and deliver to the Employee (A) the number of shares of Stock equal to the number of vested Earned Category 1 Shares or vested Earned Category 2 Shares, as applicable, and (B) cash, shares of Stock or other property (as applicable) equal to any Dividend Equivalents accrued with respect to such vested Earned Category 1 Shares or vested Earned Category 2 Shares.

4. **Employment of Employee.** As an inducement to the Company to issue the Performance Shares to Employee, and as a condition thereto, Employee acknowledges and agrees that, without limitation of his rights under any employment agreement with the Company, neither the issuance of the Performance Shares to Employee nor any provision contained herein shall entitle Employee to remain in the employment of the Company or its affiliates or affect the right of the Company to terminate Employee’s employment at any time.

5. **Restrictions on Transfer.**

A. The Employee agrees that he shall not dispose of (meaning, without limitation, sell, transfer, pledge, exchange, hypothecate or otherwise dispose of) any Performance Shares or other rights hereby acquired prior to the date the Performance Shares are vested and settled. Any attempted disposition of the Performance Shares in violation of the preceding sentence shall be null and void and the Performance Shares that the Employee attempted to dispose of shall be forfeited.

- B. The spouse of Employee shall execute a signature page to this Agreement as of the date hereof and agree to be bound in all respects by the terms hereof to the same extent as Employee. The spouse further agrees that should she predecease Employee or become divorced from Employee, any of the Performance Shares which such spouse may own or in which she may have an interest shall remain subject to this Agreement.
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6. **Notices; Deliveries.** Any notice or delivery required to be given under the terms of this Agreement shall be addressed to the Company at its principal office, and any notice or delivery to be given to Employee shall be addressed to him at the address given by him and appearing in the Company's records or such other address as either party hereto may hereafter designate in writing to the other. Any such notice or delivery shall be deemed to have been duly given when addressed as aforesaid, registered or certified mail, and deposited (postage or registration or certification fee prepaid) in a post office or branch post office regularly maintained by the United States.
 7. **Disputes.** As a condition of the granting of the Performance Shares hereby, Employee and his heirs and successors agree that any dispute or disagreement which may arise hereunder shall be determined by the Company's Board of Directors in its sole discretion and judgment, and that any such determination and any interpretation by the Board of Directors of the terms of this grant of Performance Shares shall be final and shall be binding and conclusive, for all purposes, upon the Company, Employee, his heirs and personal representatives.
 8. **Interpretation.** The Performance Shares granted hereby are subject to the Plan. If a conflict exists between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Notwithstanding the preceding sentence, in the event of any direct conflict between Section 2.C.(iii). of this Agreement and either the Plan or the Employment Agreement, the terms of this Agreement shall govern and prevail.
 9. **Miscellaneous.**
 - A. Employee hereby agrees that the Company may withhold from any amount payable to the Employee an amount sufficient to cover any federal, state or local withholding taxes which may become required with respect to the vesting or settlement of the Performance Shares or take any other action it deems necessary to satisfy any income or other tax withholding requirements as a result of the vesting or settlement of the Performance Shares. The Committee, in its discretion (which such discretion, if the Employee is a "statutory insider" within the meaning of Section 16(a) of the Exchange Act, may not be delegated to management), may allow the Employee to pay his withholding tax obligation in connection with the vesting or settlement of the Performance Shares by (i) making a cash payment to the Company, (ii) having withheld a portion of the shares of Stock that would otherwise be delivered to the Employee in connection with the vesting of Performance Shares or (iii) surrendering shares of Stock owned by the Employee prior to the vesting of the Performance Shares, in each case, having an aggregate Fair Market Value equal to the amount of such withholding taxes.
 - B. If any party to this Agreement so required under this Agreement fails or refuses to comply with the provisions of this Agreement, then in addition to any other remedies provided by law or this Agreement, the party affected thereby may institute and maintain a proceeding to compel the specific performance of this Agreement by the party so defaulting.
 - C. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company.
 - D. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Texas.
 - E. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which collectively shall constitute a single instrument.
 - F. If any one or more of the provisions or parts of a provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement or any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.
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- G. The Performance Shares and any other amounts paid or credited pursuant to this Agreement are intended to either comply with, or be exempt from, the requirements of Section 409A of the Code and the regulations issued thereunder ("Section 409A"), and shall be interpreted accordingly where applicable. To the extent that the Committee determines that any Performance Shares or other amounts are not exempt from Section 409A, the Committee may (but shall not be required to) amend this Agreement in a manner intended to comply with the requirements of Section 409A or an exemption therefrom (including amendments with retroactive effect). Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit hereunder constitutes non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (A) if such payment or benefit would otherwise be payable or distributable hereunder by reason of the Employee's termination of employment, then all references to the Employee's termination of employment shall be construed to mean a "separation from service" within the meaning of Section 409A, and (B) if such payment or benefit would otherwise be payable or distributable hereunder upon a Change in Control, then no such payment or distribution shall be made unless such Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case, within the meaning of Section 409A. Notwithstanding anything to the contrary in this Agreement, to the extent that the Employee is a "specified employee" within the meaning of Section 409A, no amount that may constitute a deferral of compensation that is not otherwise exempt from Section 409A and which is payable on account of the Employee's termination of employment shall be paid to the Employee before the date (the "Delayed Payment Date") which is first day of the seventh month after such termination of employment or, if earlier, the date of the Employee's death following such date of termination. All such amounts that would, but for this Section 9.G., become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date. No interest will be paid by the Company with respect to any such delayed payments. For purposes of Section 409A, each payment or amount due under this Agreement shall be considered a separate payment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has, effective as of the date and place first above written, caused this Agreement to be executed on its behalf by its authorized officer and Employee has hereunto set his hand as of the [•] day of [•] 20__.

WESTWOOD HOLDINGS GROUP, INC.

By: _____
Name: [•]

EMPLOYEE SIGNATURE PAGE
TO PERFORMANCE SHARE AGREEMENT

Employee Name: [•]

Signature

I, the undersigned, being the spouse of the above-named Employee, hereby acknowledge that I have read and understand the foregoing Performance Share Agreement under the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan (as amended from time to time), and I agree to be bound by the terms thereof.

Spouse Name: [•]

Signature

Exhibit A

Performance Goals

Category 1 Shares

The Category 1 Shares shall become Earned Category 1 Shares subject to the attainment of the Performance Goal set forth in the table below with respect to the Performance Cycle (which, for the avoidance of doubt, begins on January 1, 20__6 and ends on December 31, 20__):

<u>Performance Goal</u>
\$[•] of Adjusted Pre-Tax Income (“API”)*

* For purposes of the Agreement and this Exhibit A, “adjusted pre-tax income” is determined based on the Company’s audited financial statements for the applicable Performance Cycle and equals the Company’s income before income tax increased by the expenses incurred for the year (i) for the annual cash incentive awards earned by [•], (ii) for incentive compensation for all other Company employees, (iii) for performance-based restricted stock awards to Company employees (including [•]) and (iv) mutual fund awards. In the sole discretion of the Committee, adjusted pre-tax income may exclude start up, non-recurring, mergers and acquisitions, lift outs and other similar expense items; provided, however, that any such exclusion shall comply with Treas. Reg. § 1.162-27(e)(2)(iii).

Category 2 Shares

The Category 2 Shares shall become Earned Category 2 Shares based on the level of achievement with respect to the Performance Goal set forth in the table below for the Performance Cycle (which, for the avoidance of doubt, begins on January 1, 20__ and ends on December 31, 20__):

<u>Level</u>	<u>Performance Goal**</u>	<u>Performance Achievement</u> (expressed as a percentage of the Target Performance Goal)	<u>Number of Earned Category 2 Shares</u> (expressed as a percentage of the number of Category 2 Shares granted)
“Below Threshold”	Equal to or less than \$[•] of API	[•]%	0%
“Threshold”	Equal to \$[•] of API	[•]%	[•]%
“Target”	Equal to \$[•] of API	[•]%	[•]%
“Maximum”	Equal to or more than \$[•] of API	[•]%	[•]%

** If the Company’s API is above the Below Threshold level and either (i) between Below Threshold and Threshold, (ii) between Threshold and Target or (iii) between Target and Maximum, the actual number of Earned Category 2 Shares shall be calculated using straight line interpolation between such levels.

**PERFORMANCE SHARE AGREEMENT
UNDER THE THIRD AMENDED AND RESTATED
WESTWOOD HOLDINGS GROUP, INC. STOCK INCENTIVE PLAN**

WHEREAS, WESTWOOD HOLDINGS GROUP, INC., a Delaware corporation (the “Company”), previously established the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, as amended from time to time (the “Plan”); and

WHEREAS, this **PERFORMANCE SHARE AGREEMENT** (the “Agreement”), is made effective as of the 10th day of March, 2016 (the “Date of Grant”), between the Company and Brian O. Casey (the “Employee”), and sets forth the terms of the award of Performance Shares (as defined below) granted to Employee, which such award is intended to constitute a Performance-Based Award under the Plan; and

WHEREAS, the Compensation Committee of the Board of Directors (the “Committee”) has determined that it is in the best interests of the Company to establish a qualifying performance-based vesting formula for the Performance Shares to qualify for an exemption from the limits on deductibility of executive compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, by unanimous written consent on March 10, 2016, the Committee approved the material terms of the performance-based vesting for the Performance Shares; and

WHEREAS, all of the terms and provisions of the Plan are incorporated herein by reference and made a part hereof, and all capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of Performance Shares.

- A. The Company hereby grants to Employee, on the terms and conditions hereinafter set forth, 35,000 performance shares (the “Performance Shares”), subject to the vesting provisions and other terms set forth in Section 2.A. below. Each Performance Share represents the right to receive one share of Stock. The Performance Shares are described in the Plan as a Performance-Based Award subject to restrictions that lapse based on the achievement of Performance Goals during a specified Performance Cycle and time-based vesting requirements.
- B. The Employee shall have right to receive an amount (a “Dividend Equivalent”) equal to dividends paid with respect to a number of shares of Stock equal to the number of Performance Shares granted hereunder; provided, however, that any such Dividend Equivalents shall be subject to the same conditions and restrictions (including vesting) applicable to the Performance Shares as set forth in the Agreement and the Dividend Equivalents shall be accrued (without interest) and paid to the Employee, in the same form as the associated dividend was paid to stockholders generally, as soon as practicable following the applicable vesting date under Section 2 below.

2. Vesting Terms.

- A. *Vesting of Performance Shares.* The Performance Shares, subject to the other terms and conditions set forth herein, shall vest subject to the satisfaction of a time-based vesting schedule and a performance-based vesting schedule. The Performance Cycle for the Performance Shares begins on January 1, 2016 and ends on December 31, 2016. Subject to the attainment of the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle, the Performance Shares shall become earned (the “Earned Performance Shares”). The Earned Performance Shares (if any) shall vest in accordance with the following vesting schedule, provided that the Employee remains continuously employed by the Company or any of its affiliates from the Date of Grant through each vesting date:

<u>Vesting Date</u>	<u>Cumulative Vested Percentage</u>
First Anniversary of the Date of Grant	50%
Second Anniversary of the Date of Grant	100%

In addition, the vesting of the Performance Shares shall only occur following certification by the Committee of the achievement of the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle as soon as practicable following December 31, 2016. For the avoidance of doubt, if the Committee certifies that the Performance Goal set forth on Exhibit A hereto with respect to the Performance Cycle has not been attained, no Performance Shares shall become Earned Performance Shares and all Performance Shares shall be forfeited to the Company without consideration. If the vesting of any Earned Performance Shares would yield a fractional share, such fractional share shall be rounded up to the nearest whole share.

B. Termination of Employment.

(i). Death or Disability. Upon the Employee's termination of employment due to Death or Disability, all of the Performance Shares shall become fully vested, effective upon the date of such termination and without regard to the level of achievement with respect to the Performance Goal.

(ii). Without Cause; for Good Reason. Upon the Employee's termination of employment by the Company without Cause or by the Employee for "Good Reason" (as defined below), either (a) during the Performance Cycle, all Performance Shares shall remain outstanding and eligible to vest following the date of termination as if the Employee's employment had continued, contingent upon and subject to achievement of the Performance Goal as set forth in Section 2.A. above or (b) following the last day of the Performance Cycle, all of the unvested Earned Performance Shares shall become fully vested. For purposes of this Agreement, the term "Good Reason" shall have the meaning ascribed to such term in that certain Executive Employment Agreement dated as of December 17, 2015, by and among the Company and the Employee, as amended from time to time (the "Employment Agreement").

(iii). Change in Control. Notwithstanding anything contained in this Agreement or the Employment Agreement to the contrary, upon the occurrence of a Change in Control, all of the Performance Shares shall become fully vested, effective upon the date of such Change in Control and without regard to the level of achievement with respect to the Performance Goal.

(iv). Other Terminations. Upon the Employee's termination of employment for Cause by the Company or by the Employee without Good Reason at any time, any Performance Shares (including Earned Performance Shares as well as any accrued Dividend Equivalents) that have not vested prior to such date of termination shall be forfeited to the Company without consideration.

3. **Settlement.** Payment in respect of vested Performance Shares shall be made as soon as administratively practicable, but in no event later than the 25th business day, following the applicable vesting date pursuant to Section 2 above, upon which the Company shall issue and deliver to the Employee (A) the number of shares of Stock equal to the number of vested Performance Shares, and (B) cash, shares of Stock or other property (as applicable) equal to any Dividend Equivalents accrued with respect to such vested Performance Shares.

4. **Employment of Employee.** As an inducement to the Company to issue the Performance Shares to Employee, and as a condition thereto, Employee acknowledges and agrees that, without limitation of his rights under any employment agreement with the Company, neither the issuance of the Performance Shares to Employee nor any provision contained herein shall entitle Employee to remain in the employment of the Company or its affiliates or affect the right of the Company to terminate Employee's employment at any time.

5. **Restrictions on Transfer.**

A. The Employee agrees that he shall not dispose of (meaning, without limitation, sell, transfer, pledge, exchange, hypothecate or otherwise dispose of) any Performance Shares or other rights hereby acquired prior to the date the Performance Shares are vested and settled. Any attempted disposition of the Performance Shares in violation of the preceding sentence shall be null and void and the Performance Shares that the Employee attempted to dispose of shall be forfeited.

B. The spouse of Employee shall execute a signature page to this Agreement as of the date hereof and agree to be bound in all respects by the terms hereof to the same extent as Employee. The spouse further agrees that should she predecease Employee or become divorced from Employee, any of the Performance Shares which such spouse may own or in which she may have an interest shall remain subject to this Agreement.

6. **Notices; Deliveries.** Any notice or delivery required to be given under the terms of this Agreement shall be addressed to the Company at its principal office, and any notice or delivery to be given to Employee shall be addressed to him at the address given by him and appearing in the Company's records or such other address as either party hereto may hereafter designate in writing to the other. Any such notice or delivery shall be deemed to have been duly given when addressed as aforesaid, registered or certified mail, and deposited (postage or registration or certification fee prepaid) in a post office or branch post office regularly maintained by the United States.
 7. **Disputes.** As a condition of the granting of the Performance Shares hereby, Employee and his heirs and successors agree that any dispute or disagreement which may arise hereunder shall be determined by the Company's Board of Directors in its sole discretion and judgment, and that any such determination and any interpretation by the Board of Directors of the terms of this grant of Performance Shares shall be final and shall be binding and conclusive, for all purposes, upon the Company, Employee, his heirs and personal representatives.
 8. **Interpretation.** The Performance Shares granted hereby are subject to the Plan. If a conflict exists between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Notwithstanding the preceding sentence, in the event of any direct conflict between Section 2.B.(iii). of this Agreement and either the Plan or the Employment Agreement, the terms of this Agreement shall govern and prevail.
 9. **Miscellaneous.**
 - A. Employee hereby agrees that the Company may withhold from any amount payable to the Employee an amount sufficient to cover any federal, state or local withholding taxes which may become required with respect to the vesting or settlement of the Performance Shares or take any other action it deems necessary to satisfy any income or other tax withholding requirements as a result of the vesting or settlement of the Performance Shares. The Committee, in its discretion (which such discretion, if the Employee is a "statutory insider" within the meaning of Section 16(a) of the Exchange Act, may not be delegated to management), may allow the Employee to pay his withholding tax obligation in connection with the vesting or settlement of the Performance Shares by (i) making a cash payment to the Company, (ii) having withheld a portion of the shares of Stock that would otherwise be delivered to the Employee in connection with the vesting of Performance Shares or (iii) surrendering shares of Stock owned by the Employee prior to the vesting of the Performance Shares, in each case, having an aggregate Fair Market Value equal to the amount of such withholding taxes.
 - B. If any party to this Agreement so required under this Agreement fails or refuses to comply with the provisions of this Agreement, then, in addition to any other remedies provided by law or this Agreement, the party affected thereby may institute and maintain a proceeding to compel the specific performance of this Agreement by the party so defaulting.
 - C. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company.
 - D. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Texas.
 - E. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which collectively shall constitute a single instrument.
 - F. If any one or more of the provisions or parts of a provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement or any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.
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G. The Performance Shares and any other amounts paid or credited pursuant to this Agreement are intended to either comply with, or be exempt from, the requirements of Section 409A of the Code and the regulations issued thereunder ("Section 409A"), and shall be interpreted accordingly where applicable. To the extent that the Committee determines that any Performance Shares or other amounts are not exempt from Section 409A, the Committee may (but shall not be required to) amend this Agreement in a manner intended to comply with the requirements of Section 409A or an exemption therefrom (including amendments with retroactive effect). Notwithstanding anything in this Agreement to the contrary, to the extent that any payment or benefit hereunder constitutes non-exempt "nonqualified deferred compensation" for purposes of Section 409A, (A) if such payment or benefit would otherwise be payable or distributable hereunder by reason of the Employee's termination of employment, then all references to the Employee's termination of employment shall be construed to mean a "separation from service" within the meaning of Section 409A, and (B) if such payment or benefit would otherwise be payable or distributable hereunder upon a Change in Control, then no such payment or distribution shall be made unless such Change in Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case, within the meaning of Section 409A. Notwithstanding anything to the contrary in this Agreement, to the extent that the Employee is a "specified employee" within the meaning of Section 409A, no amount that may constitute a deferral of compensation that is not otherwise exempt from Section 409A and which is payable on account of the Employee's termination of employment shall be paid to the Employee before the date (the "Delayed Payment Date") which is first day of the seventh month after such termination of employment or, if earlier, the date of the Employee's death following such date of termination. All such amounts that would, but for this Section 9.G., become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date. No interest will be paid by the Company with respect to any such delayed payments. For purposes of Section 409A, each payment or amount due under this Agreement shall be considered a separate payment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has, effective as of the date and place first above written, caused this Agreement to be executed on its behalf by its authorized officer and Employee has hereunto set his hand as of the 10th day of March 2016.

WESTWOOD HOLDINGS GROUP, INC.

By: /s/ Tiffany B. Kice
Name: **Tiffany B. Kice**
Chief Financial Officer

EMPLOYEE SIGNATURE PAGE
TO PERFORMANCE SHARE AGREEMENT

Employee Name: Brian O. Casey

Signature /s/ Brian O. Casey

I, the undersigned, being the spouse of the above-named Employee, hereby acknowledge that I have read and understand the foregoing Performance Share Agreement under the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan (as amended from time to time), and I agree to be bound by the terms thereof.

Spouse Name: Meredith Casey

Signature /s/ Meredith Casey

Exhibit A

Performance Goals

Performance Shares

The Performance Shares shall become Earned Performance Shares subject to the attainment of the Performance Goal set forth in the table below with respect to the Performance Cycle (which, for the avoidance of doubt, begins on January 1, 2016 and ends on December 31, 2016):

<u>Performance Goal</u>
[\$•] million of Adjusted Pre-Tax Income (“API”)*

* For purposes of the Agreement and this Exhibit A, “adjusted pre-tax income” is determined based on the Company’s audited financial statements for the applicable Performance Cycle and equals the Company’s income before income tax increased by the expenses incurred for the year (i) for the annual cash incentive awards earned by Messrs. Casey and Freeman, (ii) for incentive compensation for all other Company employees, (iii) for performance-based restricted stock awards to Company employees (including Messrs. Casey and Freeman) and (iv) mutual fund awards. In the sole discretion of the Committee, adjusted pre-tax income may exclude start up, non-recurring, mergers and acquisitions, lift outs and other similar expense items; provided, however, that any such exclusion shall comply with Treas. Reg. § 1.162-27(e)(2)(iii).