WESTWOOD HOLDINGS GROUP INC
Form DEF 14A
March 20, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
Filed by the Registrant x Filed by a Party other than the Registrant ¨
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¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12
Westwood Holdings Group, Inc.

(Name of Registrant as Specified In Its Charter)

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Dear Stockholder:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders of Westwood Holdings Group, Inc., which will be held on Wednesday, April 26, 2017, at 10:00 a.m., Central time, at The Crescent Club, 200 Crescent Court, Suite 1700, Dallas, Texas 75201. The official Notice of Annual Meeting together with a proxy statement and proxy card are enclosed. Please give this information your careful attention.

Westwood invites all stockholders to attend the meeting in person. Whether or not you expect to attend the annual meeting, we urge you to complete, sign, date and promptly return the accompanying proxy card in the enclosed postage-paid envelope or vote by Internet by following the instructions in the Notice of Annual Meeting to assure your representation at the meeting. You can revoke your proxy at any time before it is voted by delivering written notice to our Corporate Secretary at Westwood's principal executive office, by signing and mailing to us a proxy card bearing a later date, by changing your vote by Internet (if you voted by Internet) or by attending the meeting and voting in person.

Sincerely,

March 20, 2017

Brian O. Casey
President and Chief Executive Officer

WESTWOOD MANAGEMENT • WESTWOOD TRUST • WESTWOOD ADVISORS • WESTWOOD INTERNATIONAL ADVISORS
200 CRESCENT COURT, SUITE 1200 • DALLAS, TEXAS 75201 • T.214.756.6900 • F.214.756.6979 • www.westwoodgroup.com

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WESTWOOD HOLDINGS GROUP, INC.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 26, 2017

To the Stockholders of Westwood Holdings Group, Inc.:

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of Westwood Holdings Group, Inc. ("Westwood," the "Company," "we," "us" or "our") will be held at The Crescent Club, 200 Crescent Court, Suite 1700, Dallas, Texas 75201 on Wednesday, April 26, 2017, at 10:00 a.m., Central time, to consider and vote on the following proposals:

Proposal 1.	The election of eight directors to hold office until the next annual meeting of Westwood's stockholders and until their respective successors shall have been duly elected and qualified;
Proposal 2.	The ratification of the appointment of Deloitte & Touche LLP as Westwood's independent auditors for the year ending December 31, 2017;
Proposal 3.	To approve the Fourth Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan;
Proposal 4.	To cast a non-binding, advisory vote on the Company's executive compensation;
Proposal 5.	To cast a non-binding, advisory vote on the frequency of future advisory votes on the Company's executive compensation; and
Proposal 6.	To approve an amendment to the Company's Amended and Restated Certificate of Incorporation, as amended and Amended and Restated Bylaws to eliminate the provisions prohibiting removal of directors without cause.

In addition, we will consider the transaction of such other business as may properly come before the meeting or at any adjournments or postponements.

The foregoing items of business are more fully described in the attached proxy statement.

Only stockholders of record at the close of business on March 6, 2017 are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof. A holder of shares of our common stock as of the record date is entitled to one vote in person or by proxy for each share of common stock owned by such holder on all matters properly brought before the annual meeting or at any adjournments or postponements.

All of our stockholders are invited to attend the annual meeting. Whether or not you expect to attend the annual meeting, we urge you to complete, sign, date and promptly return the accompanying proxy card in the enclosed postage-paid envelope to assure your representation at the meeting. You may also vote by Internet at www.voteproxy.com using the control number shown on your proxy card or voting instruction card. You can revoke your proxy at any time before it is voted by delivering written notice to our Corporate Secretary at our principal executive office, which is located at 200 Crescent Court, Suite 1200, Dallas, Texas 75201, by signing and mailing to us a proxy bearing a later date, by changing your vote by Internet (if you voted by Internet) or by attending the annual meeting and voting in person.

If you are the beneficial owner of shares of our common stock held in street name, you will receive voting instructions from your broker, bank or other nominee (who must be the stockholder of record). The voting instructions will provide details regarding how to vote these shares. Additionally, you may vote these shares in person at the annual meeting if you have requested and received a legal proxy from your broker, bank or other nominee giving you the right to vote the shares at the annual meeting, and you complete the legal proxy and present it to us at the annual meeting. Pursuant to the New York Stock Exchange ("NYSE") rules, if you hold your shares in street name, nominees will not have discretion to vote these shares on the election of directors, the approval of the Fourth Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, the matters pertaining to executive compensation, and the amendments to our Certificate of Incorporation and Bylaws. Accordingly, if your shares are held in street name and you do not submit voting instructions to your broker, bank or other nominee, these shares will not be counted in determining the outcome on Proposals 1, 3, 4, 5 and 6 set forth in this proxy statement at the annual meeting. We encourage you to provide voting instructions to your broker, bank or other nominee if you hold your shares in street name so that your voice is heard on these proposals.

This proxy statement and proxy card are being mailed to our stockholders on or about March 29, 2017.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS
Important Notice Regarding Internet Availability of Proxy Materials for the Stockholder Meeting to be Held on April 26, 2017
The proxy materials for the Company's Annual Meeting of Stockholders, including the 2016 Annual Report to Stockholders, the Proxy Statement and any other additional soliciting materials, are available over the Internet by accessing our website at
http://ir.westwoodgroup.com/annuals.cfm. Other information on our website does not constitute part of the Company's proxy materials.

By Order of the Board of Directors
Westwood Holdings Group, Inc.

Brian O. Casey
President and Chief Executive Officer

WESTWOOD HOLDINGS GROUP, INC.
PROXY STATEMENT FOR
2017 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON APRIL 26, 2017
GENERAL QUESTIONS AND ANSWERS

The following questions and answers are intended to provide brief answers to frequently asked questions concerning the proposals described in this proxy statement and the proxy solicitation process. These questions and answers do not, and are not intended to, address all the questions that may be important to you. You should carefully read the remainder of this proxy statement. This proxy statement and the accompanying proxy card are being mailed to the stockholders of Westwood Holdings Group, Inc. ("Westwood," the "Company," "we," "us" or "our") on or about March 29, 2017.

The Annual Meeting

Q: When and where is the annual meeting?

A: The annual meeting will be held on Wednesday, April 26, 2017, at 10:00 a.m., Central time, at The Crescent Club, 200 Crescent Court, Suite 1700, Dallas, Texas 75201.

Q: What am I being asked to vote on?

A: Our stockholders are being asked to vote on the following proposals at the annual meeting:

- To elect eight directors to hold office until the next annual meeting of Westwood’s stockholders and until their respective successors shall have been duly elected and qualified;
- To ratify the appointment of Deloitte & Touche LLP as Westwood’s independent auditors for the year ending December 31, 2017;
- To approve the Fourth Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan;
- To cast a non-binding, advisory vote on the Company's executive compensation;
- To cast a non-binding, advisory vote on the frequency of future advisory votes on the Company's executive compensation; and
- To approve an amendment to the Company's Amended and Restated Certificate of Incorporation, as amended and Amended and Restated Bylaws to eliminate the provisions prohibiting removal of directors without cause.

Q: How does the Board of Directors recommend that I vote?

A: The Board of Directors recommends that you vote your shares (i) "FOR" each of the eight director nominees for election to the Board of Directors, (ii) "FOR" the ratification of the appointment of Deloitte & Touche LLP as Westwood’s independent auditors for the year ending December 31, 2017, (iii) "FOR" the approval of the Fourth Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan, (iv) "FOR" the approval, on a non-binding, advisory basis, of the Company's executive compensation, (v) "FOR" the approval, on a non-binding, advisory basis, of conducting future advisory votes on the Company's compensation once every year, and (vi) "FOR" the approval of an amendment to the Company's Amended and Restated Certificate of Incorporation, as amended and Amended and Restated Bylaws.

If you submit your properly executed proxy without voting instructions, your shares represented by that proxy will be voted as recommended by the Board of Directors.

Q: Who is entitled to vote at the annual meeting?

A: Stockholders of record at the close of business on March 6, 2017 (the "record date") are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements thereof. A holder of shares of our common stock as of the record date is entitled to one vote in person or by proxy for each share of common stock owned by such holder on all matters properly brought before the annual meeting or at any adjournments or postponements thereof. As of March 6, 2017, there were 8,851,701 shares of common stock outstanding and entitled to vote on each of the proposals.

Q: What constitutes a quorum?

A: In order to carry on the business of the annual meeting, we must have a quorum. This means at least a majority of the shares of common stock outstanding as of the record date must be represented at the annual meeting, either by proxy or in person. Abstentions and broker non-votes, which are described in more detail below, are counted as shares present at the annual meeting for purposes of determining whether a quorum exists.

Q: What is the difference between holding shares as a "stockholder of record" and as a "beneficial owner"?

A: Stockholder of Record: A stockholder of record holds shares registered directly in the stockholder's name with our transfer agent. As a stockholder of record, you have the right to grant your voting proxy directly to us in accordance with the procedures described below or to vote in person at the annual meeting.

Beneficial Owner: If your shares are held through a bank, broker or other nominee, you are the "beneficial owner" of shares held in "street name," and these proxy materials are being forwarded to you by your bank, broker or other nominee, which is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your bank, broker or other nominee on how to vote your shares by completing the instructions provided to you by your bank, broker or other nominee. However, since you are not a stockholder of record, you may not vote these shares in person at the annual meeting unless you obtain a valid proxy from your bank, broker or other nominee (who must be the stockholder of record) giving you the right to vote the shares.

Q: What is a broker non-vote?

A: Generally, a broker non-vote occurs when a bank, broker or other nominee that holds shares in "street name" for customers is precluded from exercising voting discretion on a particular proposal because (i) the beneficial owner has not instructed the bank, broker or other nominee how to vote, and (ii) the bank, broker or other nominee lacks discretionary voting power to vote such shares. A bank, broker or other nominee does not have discretionary voting power with respect to the approval of "non-routine" matters absent specific voting instructions from the beneficial owners of such shares.

Under applicable rules, Proposals 1, 3, 4, 5 and 6 are considered "non-routine" matters, on which banks, brokers and other nominees are not allowed to vote unless they have received voting instructions from the beneficial owners of such shares. The proposal to ratify the appointment of Deloitte & Touche LLP as Westwood's independent auditor for the year ending December 31, 2017 (Proposal 2) is considered a routine matter on which banks, brokers and other nominees may vote in their discretion on behalf of beneficial owners who have not provided voting instructions. Your bank, broker or other nominee will send you instructions on how you can instruct them to vote on Proposal 2. If you do not provide voting instructions, your bank, broker or other nominee will have discretionary authority to vote your shares with respect to Proposal 2.

Q: What vote is required to approve each proposal?

A: Proposal 1: The election of directors requires the affirmative "FOR" vote of a plurality of the shares represented in person or by proxy at the annual meeting and entitled to vote. This means that the eight director nominees who receive the most votes will be elected. You may vote "FOR" or "WITHHOLD" with respect to the election of each director. As the election of directors is a non-routine matter under applicable rules, your bank, broker or other nominee cannot vote without instructions from you. Therefore, only "FOR" votes will be counted in determining whether a plurality has been cast in favor of a director. Broker non-votes and "WITHHOLD" votes will not affect the outcome on the election of directors.

Proposal 2: The ratification of the appointment of Deloitte & Touche LLP as Westwood's independent auditors for the year ending December 31, 2017 requires the affirmative "FOR" vote of a majority of the votes cast at the annual meeting. Abstentions will have no effect on the outcome of this proposal.

Proposal 3: The approval of the Fourth Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan requires the affirmative "FOR" vote of a majority of the votes cast at the annual meeting. As the approval of Proposal 3 is a non-routine matter under applicable rules, your bank, broker or other nominee cannot vote without instructions from you. An abstention is a vote cast under current NYSE rules, and, as a result, abstentions will have the effect of a vote "AGAINST" this proposal. A broker non-vote, however, is not a vote cast under current NYSE rules, and, as a result, will have no effect on the outcome of this proposal.

Proposal 4: The non-binding, advisory vote on the Company's executive compensation requires the affirmative "FOR" vote of a majority of the votes cast at the annual meeting. As the advisory vote on the Company's executive compensation is a non-routine matter under applicable rules, your bank, broker or other nominee cannot vote without instructions from you. Broker non-votes and abstentions will have no effect on the outcome of this proposal.

Proposal 5: The Board of Directors is seeking a non-binding, advisory vote on the recommended frequency for which the Company is to hold future stockholder advisory votes on the Company's executive compensation. Stockholders may indicate whether they recommend an advisory vote on our executive compensation once every one, two or three years or they may abstain from voting on this proposal. As the advisory vote on the frequency of future advisory votes on the Company's executive compensation is a non-routine matter under applicable rules, your bank, broker or other nominee cannot vote without instructions from you. Broker non-votes and abstentions will have no effect on the outcome of this proposal.

Proposal 6: The approval of the amendments to the Amended and Restated Certificate of Incorporation, as amended and Amended and Restated Bylaws requires the affirmative "FOR" vote of the holders of at least two-thirds (2/3) of the outstanding shares of common stock.

Procedures for Voting

Q: Who is entitled to vote?

A: Only stockholders of record as of the close of business on March 6, 2017, the record date, will be entitled to vote on the proposals at the annual meeting. Each share of common stock is entitled to one vote.

Q: How do I vote?

A: If you are the record holder of your shares, you can vote by attending the annual meeting in person or by completing, signing and returning your proxy card in the enclosed postage-paid envelope. You can also vote by Internet at www.voteproxy.com using the control number shown on your proxy card or voting instruction card.

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If your shares are held in street name, your proxy card may contain instructions from your broker that allow you to vote your shares using the Internet or telephone. Please consult with your broker if you have any questions regarding the electronic voting of your shares held in street name.

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Q: Is my proxy revocable and can I change my vote?

A: If you are a stockholder of record you may revoke your proxy at any time before it is voted by doing one of the following:

- Sending a written notice revoking your proxy to Julie K. Gerron, our Corporate Secretary, at 200 Crescent Court, Suite 1200, Dallas, Texas 75201;
- Signing and mailing to us a proxy bearing a later date;
- Changing your vote by Internet (if you voted by Internet); or
- Attending our annual meeting and voting in person.

If you are not a stockholder of record, but instead hold your shares in "street name" through a bank, broker or other nominee, the above-described options for revoking your proxy do not apply. Instead, you will need to follow the instructions provided to you by your bank, broker or other nominee in order to revoke your proxy and submit new voting instructions.

Q: Is my vote confidential?

A: Yes. Only the inspector of votes and certain of our employees will have access to your proxy card. All comments will remain confidential, unless you ask that your name be disclosed.

Our Current Stock Ownership

Q: What percentage of stock do the directors and executive officers own?

A: Collectively, our executive officers and directors beneficially owned approximately 851,208 shares, or approximately 9.6%, of our outstanding common stock as of March 6, 2017.
We believe that our executive officers and directors intend to vote their shares of our common stock on each of the proposals presented in this proxy statement as recommended by the Board of Directors.

Q: Who are the largest principal stockholders?

A: Based on our review of Schedule 13G, Schedule 13D and Form 13F filings, as of March 6, 2017, the ten institutional stockholders with the largest percentage ownership of our outstanding common stock were GAMCO Investors, Inc. (7.0%), Wells Capital Management, Inc. (6.7%), Conestoga Capital Advisors LLC (6.5%), BlackRock, Inc. (6.3%), Royce & Associates, LLC (5.8%), Wellington Management Co LLP (3.4%), The Vanguard Group, Inc. (3.1%), Dimensional Fund Advisors LP (2.6%), Renaissance Technologies LLC (2.6%) and Punch & Associates Investment Management, Inc (1.8%).
Susan M. Byrne, our Vice Chairman, owned 3.7%, Brian O. Casey, our President and Chief Executive Officer, owned 2.9% and Mark R. Freeman, our Chief Investment Officer, owned 0.9%, of our outstanding common stock as of March 6, 2017. Our employees and directors, including Ms. Byrne and Messrs. Casey and Freeman, collectively owned approximately 23% of our outstanding common stock as of March 6, 2017.

Other Information

Q: What is the deadline to propose actions for consideration at the 2018 annual meeting of stockholders?

A: To be included in the proxy statement for the 2018 annual meeting, stockholder proposals must be in writing and must be received by Westwood at our principal executive office at 200 Crescent Court, Suite 1200, Dallas, Texas 75201, Attn: Corporate Secretary, no later than November 20, 2017. In addition, such stockholder proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which lists the requirements for the inclusion of stockholder proposals in company-sponsored proxy materials.

If a stockholder intends to present a proposal at the 2018 annual meeting, but does not seek to include the proposal in the 2018 proxy statement, notice of the proposal must be received by Westwood at our principal executive offices at least 45 calendar days before the date of this proxy statement, or your proxy will confer discretionary authority on the person(s) named in the form of proxy for the 2018 annual meeting to vote on the proposal if it is properly presented for consideration at the meeting.

Q: How may I recommend or nominate individuals to serve as directors, and what is the deadline to propose or nominate individuals to serve as directors?

A: You may propose director candidates for consideration by the Governance/Nominating Committee of our Board of Directors. Any such recommendations must be in writing to our Corporate Secretary at our principal executive office and received at least 120 calendar days before the one-year anniversary of the date that the proxy statement for the previous year's annual meeting was released to stockholders. However, if we did not hold an annual meeting during the previous year or if the date of the current year's annual meeting has been changed by more than 30 days from the date of the previous year's annual meeting, then the deadline is a reasonable time before we begin to print and mail our proxy materials.

For the 2018 annual meeting, the deadline for proposing or nominating individuals to serve as director is November 20, 2017. Director candidates recommended by stockholders are evaluated by the Governance/Nominating Committee based on the same criteria applied by the Governance/Nominating Committee to director candidates identified by that committee. To be valid, a stockholder's notice to the Corporate Secretary must set forth specified information, as further described in "Corporate Governance Information—Director Nominees."

Q: Who is soliciting my proxy and who will pay the solicitation expenses?

A: The Company is soliciting your proxy by and on behalf of our Board of Directors, and we will pay the cost of preparing and distributing this proxy statement and the cost of soliciting votes. We will reimburse stockbrokers and other custodians, nominees and fiduciaries for forwarding proxy and solicitation material to the owners of our common stock.

Q: Who can help answer my additional questions?

A: Stockholders who would like additional copies, without charge, of this proxy statement or have additional questions about this proxy statement, including the procedures for voting their shares, should contact:

Tiffany B. Kice, Chief Financial Officer & Treasurer
Westwood Holdings Group, Inc.
200 Crescent Court, Suite 1200
Dallas, Texas 75201
Telephone: (214) 756-6900

This question and answer section is qualified in its entirety by the more detailed information contained in this proxy statement. You are strongly urged to carefully read this proxy statement in its entirety before you vote.

This proxy statement contains important information that should be read before you vote on the proposals herein. You are strongly urged to read this proxy statement in its entirety. You are also strongly urged to read our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission ("SEC") on February 23, 2017 (the "2016 Form 10-K"), which is being sent to you with this proxy statement.

PROPOSAL 1:
Election of Directors
Our bylaws provide that the Board of Directors of the Company (the "Board") will consist of between three and eleven directors, as determined from time to time by resolution of the Board. The Board has previously set the number of directors at eight. The terms of the eight incumbent directors expire at the 2017 Annual Meeting. Each director elected at the 2017 Annual Meeting will serve until the 2018 Annual Meeting and thereafter until his or her successor has been elected and qualified or until the director's earlier death, resignation or removal. The Board of Directors, upon the recommendation of the Governance/Nominating Committee, has nominated the nominees listed below. Each nominee has consented to being named in this proxy statement and to serve if elected.
We have no reason to believe that any of the nominees will not serve if elected, but if any of them should become unavailable to serve as a director, and if the Board of Directors designates a substitute nominee, the persons named in the accompanying proxy will vote for the substitute nominee designated by the Board of Directors, unless a contrary instruction is given in the proxy.
Each stockholder is entitled to cast one vote for each director nominee per share of common stock held by them at the close of business on March 6, 2017. A plurality of the shares represented in person or by proxy at the annual meeting and entitled to vote is required for the election of directors. This means that the eight director nominees who receive the most votes will be elected. Votes may be cast in favor of a director nominee or withheld. Stockholders may withhold authority to vote for any individual nominee by marking "FOR ALL EXCEPT" and then filling in the circle next to such director's name in the space provided for such purpose on the proxy card. Broker non-votes and votes that are withheld will be excluded entirely from the vote and will have no effect. Votes that are withheld for a particular nominee will be excluded from the vote for that nominee only.
Nominees
The persons nominated to be directors are listed below. The following information is submitted concerning the nominees for election as directors:

Name	Age	Position(s) With Westwood
Brian O. Casey	53	President, Chief Executive Officer and Director
Richard M. Frank	69	Chairman of the Board of Directors
Susan M. Byrne	70	Vice Chairman of the Board of Directors
Ellen H. Masterson	66	Director
Robert D. McTeer	74	Director
Geoffrey R. Norman	73	Director
Martin J. Weiland	68	Director
Raymond E. Wooldridge	78	Director

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE
FOR THE APPROVAL OF EACH OF THE DIRECTOR NOMINEES.

The biographical information for each director nominee is set forth below.

Brian O. Casey has served Westwood as Chief Executive Officer of Westwood since January 2006, as President and a director since its inception in December 2001, as Secretary from December 2001 to March 2014, and as Chief Operating Officer from 2001 to 2005. Mr. Casey has served as Chief Executive Officer of Westwood Management since January 2006, as President since 2002, and as a director since 2000. Mr. Casey served as Chief Operating Officer of Westwood Management from 2000 to 2005, as Executive Vice President from 2000 to 2002, and as Vice President from 1992 to 1996. Mr. Casey has served as director of Westwood Trust since 1996 and also served as President of Westwood Trust from 1996 to 2013. Since 2002, Mr. Casey has served on the Tartan Board of Directors, a group exclusively devoted to raising money for the Texas Scottish Rite Hospital for Children. He was appointed in 2008 to the board of the Baylor Health Care System Foundation, which helps raise money to support Baylor Health Care System's mission of patient care, education, research and community service. In 2011, he was appointed to the Board of the Cooper Institute, an organization dedicated to scientific research in the field of preventative medicine and public health.

As the Chief Executive Officer of the Company and with over 20 years in senior executive roles with the Company, Mr. Casey brings extensive knowledge of and experience with the Company and its business as well as valuable leadership and management skills. Mr. Casey has deep knowledge of the Company's operations, strategies and competitive environment as well as the asset management industry as a whole.

Richard M. Frank has served as a director of Westwood and Westwood Trust since February 2006, and as Chairman of the Board of Directors since May 1, 2015. Mr. Frank was previously employed by CEC Entertainment, Inc. ("CEC"), a Dallas-based company that operates a chain of pizza and children's entertainment restaurants, until his retirement in March 2014. CEC was an NYSE-listed company until February 2014. From December 2008 until February 2014, he served as Executive Chairman of the Board of CEC. Mr. Frank served CEC as a director from June 1985 to February 2014, as Chairman of the Board and Chief Executive Officer from March 1986 to December 2008, and as President and Chief Operating Officer from June 1985 to October 1988. Prior to CEC, Mr. Frank served for 12 years as Chief Operating Officer of S&A Restaurant Co., a subsidiary of the Pillsbury Company.

Mr. Frank brings extensive knowledge with regard to executive and board level oversight of a public company through his significant experience as chief executive officer, chairman and director of CEC. Mr. Frank also has a deep understanding of business, governance, compensation and financial matters through his service with CEC.

Susan M. Byrne has served as a director of Westwood since its inception in December 2001 and served as Chairman of the Board of Directors from Westwood's inception through May 1, 2015, at which time she began serving as Vice Chairman of the Board of Directors, a position which she currently holds. Ms. Byrne also serves as a consultant to the Company under an agreement dated March 17, 2015. Ms. Byrne served as Director, Global Initiatives for Westwood from February 2012 to July 2015. She served Westwood as Co-Chief Investment Officer from January 2011 to February 2012, as Chief Investment Officer from January 2006 to February 2012, and as Chief Executive Officer from December 2001 to December 2005. Ms. Byrne is the founder of Westwood Management Corp., and has served as its Chairman of the Board since 1983, as Chief Investment Officer from 1983 to February 2012, as Chief Executive Officer from 1983 to 2005, and as President from 1983 to 2002. She served as a director of Westwood Trust from 1996 to 1999. She currently serves as a Trustee of the Naval Postgraduate School Foundation, and she has previously served as a member of the Board of Presbyterian Communities & Services Foundation, as a member of the Board of the University of Texas Investment Management Company, and as a member of the Board of Trustees for the City of Dallas Employees Retirement Fund.

As the Founder and Vice Chairman of the Board of the Company and as a result of her tenure with the Company and its subsidiaries for over 30 years, Ms. Byrne brings extensive knowledge of and experience with the Company and its business as well as valuable leadership and management experience. Ms. Byrne has deep knowledge of the Company's operations, strategies and competitive environment as well as the asset management industry as a whole. With over 40 years of experience in the investment management business, Ms. Byrne is uniquely qualified to provide insight to the Board on the Company's investment management strategies and operations.

Ellen H. Masterson has served as a director of Westwood and Westwood Trust since 2014. She retired as a partner with PricewaterhouseCoopers ("PwC") in 2008, having served in such capacity since 1999 and also from 1985 to 1997. Ms. Masterson specialized in the audits of companies involved in various sectors of the financial services industry, including investment management firms and public companies with a focus on mergers and acquisitions. She held senior positions within the leadership of PwC from 2001 to 2008, including international responsibilities across the global network of PwC firms. From 1997 to 1999, Ms. Masterson served as Senior Vice President and Chief Financial Officer of American General Corporation, prior to its acquisition by American International Group, Inc. Since 1982, she has served on numerous nonprofit boards and is currently a Trustee of Presbyterian Communities & Services, a provider of senior care and hospice services.

Ms. Masterson brings extensive knowledge of financial reporting and accounting issues faced by companies in the financial services industry, as well as experience with international business, strategic planning and corporate governance from 40 years of dealing with clients, as a public company Chief Financial Officer and a trustee of nonprofit organizations.

Robert D. McTeer has served as a director of Westwood and Westwood Trust since July 2007. Mr. McTeer was a Distinguished Fellow at the National Center for Policy Analysis ("NCPA") from January 2007 to June 2014. Prior to joining the NCPA, he was Chancellor of the Texas A&M University System from November 2004 through November 2006. Before that, he had a 36-year career with the Federal Reserve System, including nearly 14 years as President of the Federal Reserve Bank of Dallas and as a member of the Federal Open Market Committee ("FOMC"). Mr. McTeer also serves as a Director of Beal Bank (Plano) and Beal Bank USA (non-public). He is a former Director of Aquinas Companies (non-public), Guaranty Bank (public), the University of Georgia's College of Business (nonprofit), the National Council on Economic Education (nonprofit) and Refocus, Inc. (non-public). He is a former Director and President of the Association of Private Enterprise Education (nonprofit).

Mr. McTeer brings extensive knowledge of capital markets and the global economy, having served with the Federal Reserve System for 36 years. Mr. McTeer also brings valuable experience in business, governance, compensation and financial matters through his current and prior service as a director for other public and private companies.

Geoffrey R. Norman has served as a director of Westwood and Westwood Trust since April 2007. He worked for General Electric Company from 1968 to 2004, serving in various roles including Comptroller of GE Española, Chief Financial Officer of GE International Contractor Equipment, Vice President & Treasurer of GE Capital, and Executive Vice President of GE Asset Management from April 1988 to March 2004. Mr. Norman serves on a global board for buildOn, a not-for-profit entity that builds schools in underdeveloped countries and organizes after-school clubs in US high schools. Mr. Norman is also an advisor and Distribution Committee member for 5AM Ventures, a venture capital biotech firm based in San Francisco, California.

Mr. Norman brings extensive financial, operational, regulatory and strategy expertise to the Board, having served in several finance and executive management roles over a 36-year career at General Electric. As a former executive with GE Asset Management, where he led the creation of GE's external money management business and served on the Boards of Trustees of the GE Pension Fund and GE Canada's Pension Plan, Mr. Norman brings extensive knowledge of the institutional investment management business from both the asset manager and plan sponsor perspective.

Martin J. Weiland has served as a director of Westwood and Westwood Trust since December 2010. He retired as Chairman, President and Chief Executive Officer of Northern Trust Bank of Texas N.A. in May 2009. Before his appointment as CEO in 1997, Mr. Weiland served as Chief Fiduciary Officer of Northern Trust Bank of Texas N.A. He has more than 35 years of experience in the trust and investment management industry. Mr. Weiland began his career at Continental Illinois National Bank in 1973. He then moved to Texas to become Manager of Employee Benefits for Texas Commerce Bank. In 1987, he joined First Republic Bank (Bank of America) to manage Corporate and Institutional Trust. He is a past Chairman of the Trust Financial Services Division of the Texas Bankers Association and has served on various industry-related committees including the American Bankers Association and the Texas Bankers Association. He is on the Board of The Dallas Opera, having served as President/Chairman on two separate occasions.

Mr. Weiland brings extensive knowledge of the trust and investment management industries to the Board, having served over 35 years with Northern Trust Bank of Texas N.A., First Republic Bank, Texas Commerce Bank and Continental Illinois National Bank. Mr. Weiland brings a deep understanding of the competitive, regulatory, client service and strategic issues facing the Company.

Raymond E. Wooldridge has served as a director of Westwood since it became a public company in December 2001. He has served as a director of Westwood Trust since 2000. Mr. Wooldridge is Chairman of the Board of Reeves Bancshares, Inc., a one-bank holding company whose principal subsidiary is Stockmans Bank, which serves southwestern Oklahoma and the Dallas area. Mr. Wooldridge is also Chairman of the Board of Archaea Solutions, Inc., a private wastewater treatment company. He also serves as director and Investment Committee member of the Catholic Diocese Educational Endowment Trust Fund. Until February 2014, Mr. Wooldridge was a director of CEC, a Dallas-based company that operates a chain of pizza and children's entertainment restaurants. CEC was an NYSE-listed company until February 2014. He was also a director of Davidson Companies, Inc., a large financial services holding company headquartered in Montana, from 1994 to 2009. He also served as a director of Davidson Trust Company, a wealth management and trust firm, from 2001 to 2005. From 1986 to 1999, he was a director of SWS Group, Inc. ("SWS"); from 1996 to 1999, he served as the Vice Chairman and Chairman of the Executive Committee of SWS; from 1993 to 1996, he served as Chief Executive Officer of SWS; and from 1986 to 1993, he served as President and Chief Operating Officer of SWS. He is a past Chairman of the National Securities Clearing Corporation, which was a national clearing agency registered with the SEC, and past Vice Chairman of the Board of Governors of the National Association of Securities Dealers.

Mr. Wooldridge brings extensive financial, operational, regulatory and strategy expertise to the Board, having served in senior executive roles with SWS for over 13 years. In addition, as a former senior executive and director of SWS, our former parent company, Mr. Wooldridge developed intimate knowledge of the Company's operations, firm history and competitive landscape. Mr. Wooldridge brings valuable experience in business, governance, compensation and financial matters through his current and prior service as a director for other public and private companies.

Corporate Governance Information

The Board of Directors held seven meetings during 2016. All of the incumbent director nominees attended all of the meetings held in 2016. The standing committees of the Board of Directors currently consist of the Audit Committee, the Compensation Committee and the Governance/Nominating Committee. The membership and duties of these committees are described below.

Independent Directors (1)	Audit Committee	Compensation Committee	Governance/Nominating Committee
Richard M. Frank (2)	M	C	M
Ellen H. Masterson (3)	C		M
Robert D. McTeer			M
Geoffrey R. Norman (3)	M		M
Martin J. Weiland		M	C
Raymond E. Wooldridge	M	M	M

M Committee member

C Committee chair

(1) The Board of Directors has determined that all members of the Audit, Compensation and Governance/Nominating Committees are "independent directors" under the applicable rules of the NYSE and the Securities and Exchange Commission ("SEC").

(2) Richard M. Frank is the Chairman of the Board of Directors and, as such, he chairs executive sessions of the Board of Directors.

(3) The Board of Directors has determined that Geoffrey R. Norman and Ellen H. Masterson are qualified as Audit Committee financial experts within the meaning of the regulations of the SEC and have accounting and related financial management expertise within the meaning of the NYSE Corporate Governance Listing Standards.

Board Committees

Audit Committee. The Audit Committee operates pursuant to a charter approved by our Board of Directors, which the Audit Committee reviews periodically to determine if revisions are necessary or appropriate. A copy of the charter is posted on our website at www.westwoodgroup.com. In addition, a copy of the charter is available upon written request to our Corporate Secretary at our principal executive office (200 Crescent Court, Suite 1200, Dallas, Texas 75201). The Audit Committee monitors our independent auditors, as well as the preparation of our financial statements and our system of internal control over financial reporting. The Audit Committee selects an independent accounting firm to conduct the annual audit, monitors the independence of our independent accountants and monitors our accounting and financial reporting processes and audits of our financial statements. The Audit Committee is responsible for reviewing reports from management relating to our financial condition and other matters that may have a material impact on our financial statements and compliance policies. The Audit Committee is responsible for asking our management and independent auditors about the appropriateness of the accounting principles we follow, as well as reviewing changes in accounting principles and their impact on our financial statements in terms of the scope of audits conducted or scheduled to be conducted. The Audit Committee is further responsible for preparing a report stating, among other things, whether our audited financial statements should be included in our Annual Report on Form 10-K. Finally, the Audit Committee evaluates the adequacy and effectiveness of our risk assessment, risk management policies, and overall enterprise risk management. The Audit Committee met five times during 2016. All members of the Audit Committee attended all of the meetings held in 2016.

Compensation Committee. The Compensation Committee operates pursuant to a charter approved by our Board of Directors, a copy of which is posted on our website at www.westwoodgroup.com. In addition, a copy of the charter is available upon written request to our Corporate Secretary at our principal executive office (200 Crescent Court, Suite 1200, Dallas, Texas 75201). The Compensation Committee authorizes and determines all compensation for our executive officers, administers our incentive compensation plans in accordance with the powers granted in such plans, determines any incentive awards to be made to our officers, administers our stock incentive plans and other equity ownership, compensation, retirement and benefit plans, approves the performance-based compensation of individuals pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, and administers other matters relating to compensation and benefits. The Compensation Committee met six times during 2016. All members of the Compensation Committee attended all of the meetings held in 2016, with the exception of Mr. Wooldridge, who was unable to attend one meeting.

Governance/Nominating Committee. The Governance/Nominating Committee operates pursuant to a charter approved by our Board of Directors, a copy of which is posted on our website at www.westwoodgroup.com. In addition, a copy of the charter is available upon written request to our Corporate Secretary at our principal executive office (200 Crescent Court, Suite 1200, Dallas, Texas 75201). The primary function of the Governance/Nominating Committee is to develop and oversee the application of corporate governance principles to Westwood, to identify and evaluate qualified candidates for Board membership, recommend director nominees to the Board to be voted on at the annual meeting of stockholders, and communicate with members of the Board regarding Board and committee meeting format and procedures. The Governance/Nominating Committee met five times during 2016. All members of the Governance/Nominating Committee attended all of the meetings held in 2016, with the exception of Mr. Wooldridge, who was unable to attend one meeting.

Director Independence

Our Board of Directors has adopted Corporate Governance Guidelines regarding director independence, among other matters. The full text of our Corporate Governance Guidelines is available on our website at www.westwoodgroup.com. In addition, a copy of our Corporate Governance Guidelines is available upon written request to our Corporate Secretary at our principal executive office (200 Crescent Court, Suite 1200, Dallas, Texas 75201).

Pursuant to our Corporate Governance Guidelines, a majority of the members of our Board of Directors, as well as all members of each committee of the Board, must be non-management directors who meet the "independence" requirements of the NYSE Corporate Governance Listing Standards and other governing laws and regulations. In addition, all members of the Audit Committee must meet additional "independence" standards required under the Exchange Act. Our Board of Directors annually reviews director independence. In the 2016 review, the Board of

Directors reviewed directors' responses to a questionnaire asking about their relationships, and the relationships of their family members, with us, and other potential conflicts of interest. In addition, our Board of Directors was aware that some of our directors and individuals or entities affiliated with such directors have asset management accounts held by one of our subsidiaries and managed by us. After noting such items, and based upon its review, the Board of Directors unanimously determined that none of these relationships constituted a material relationship with us that would affect the "independence" of any such director under SEC and NYSE rules.

As a result, the Board affirmatively determined that Messrs. Frank, McTeer, Norman, Weiland and Wooldridge and Ms. Masterson are "independent" as defined under SEC and NYSE rules. Ms. Byrne, who currently serves as a consultant to the Company, and Mr. Casey, who served as an executive officer of the Company during 2016, are not independent directors.

Board Leadership Structure

Our Board of Directors currently separates the roles of Chief Executive Officer and Chairman of the Board; however, the Board does not have a policy in place that requires these two roles to remain separate. Brian O. Casey serves as our President, Chief Executive Officer and director, and Richard M. Frank serves as our Chairman of the Board. As President and Chief Executive Officer, Mr. Casey has primary responsibility for the day-to-day operations of the Company and provides leadership on the Company's key strategic objectives. As Chairman of the Board, Mr. Frank (i) provides leadership to the Board and chairs its meetings, (ii) chairs executive sessions of the non-management directors, and (iii) sets the agenda items for such meetings and sessions. In accordance with our Corporate Governance Guidelines, our non-management directors meet in executive session without the presence of management on a regular basis.

With a supermajority of independent directors, an Audit Committee, a Compensation Committee and a Governance/Nominating Committee each comprised entirely of independent directors, a Chairman of the Board who chairs all executive sessions of the non-management directors and who has extensive knowledge with regard to executive and board level oversight of a public company through his significant experience as chief executive officer, chairman and a director of CEC, and who also has a deep understanding of business, governance, compensation and financial matters through his service with CEC, the Board of Directors believes that its current leadership structure provides an appropriate balance that best serves the Company and its stockholders.

Board's Role in Risk Oversight

The Board's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory and strategic risks. The Audit Committee is responsible for oversight of risks relating to the Company's accounting matters, financial reporting and legal and regulatory compliance. To satisfy these oversight responsibilities, the Audit Committee meets regularly with management, the Company's internal auditor and Deloitte & Touche LLP, the Company's independent auditor. The Compensation Committee is responsible for overseeing risks relating to employment policies and the Company's compensation and benefits programs. To satisfy these oversight responsibilities, the Compensation Committee meets regularly with management to understand the implications of compensation decisions, particularly the risks the Company's compensation policies may pose to the Company's financial condition, human resources and stockholders. The Governance/Nominating Committee is responsible for overseeing risks relating to overall corporate governance and succession planning. To satisfy these oversight responsibilities, the Governance/Nominating Committee annually reviews Board composition, as well as Board and committee performance, and periodically reports to the Board on corporate governance and succession planning matters.

Additionally, the Board's risk oversight function is supported by the directorships of Mr. Casey and Ms. Byrne, whose industry knowledge and experience provide the Board with a deep understanding of the risks facing the Company. Accordingly, the Board of Directors believes that having Mr. Casey and Ms. Byrne serve on the Board, together with a supermajority of independent directors and three independent Board committees, provides the appropriate leadership structure to assist in effective risk oversight by the Board.

Risks Related to Compensation Policies and Practices

As part of its oversight of the Company's executive and non-executive compensation programs, the Compensation Committee considers the impact on our risk profile of our compensation programs, and the incentives created by the compensation awards that it administers. In addition, the Company reviews all of its compensation policies and procedures, including the incentives that they create and factors that may affect the likelihood of excessive risk-taking, to determine whether they present a material risk to the Company. The Compensation Committee also considers the following risk mitigating factors:

- Overall compensation levels that are competitive with the market;
- Limits on annual cash incentive awards;
- The Compensation Committee's discretionary authority to reduce annual cash incentive awards;
- Use of long-term equity incentive awards to reward executives and other key employees for driving sustainable, profitable growth for stockholders and clients;
-

Vesting periods for long-term equity incentive awards that encourage executives and other key employees to focus on sustained stock price appreciation; and

- The Company's internal control over financial reporting and other financial, operational and compliance policies and practices currently in place that are intended to prevent manipulation of performance.

Based on this review, the Company has concluded that its compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

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Director Nominees

The Board of Directors has delegated to the Governance/Nominating Committee specific responsibilities relating to selection of directors to serve on the Board. The Governance/Nominating Committee is responsible for identifying potential candidates for Board membership and for recommending to the Board a slate of director candidates to stand for election at the annual meeting of our stockholders. The Governance/Nominating Committee seeks to identify, and the Board then selects, director candidates who (i) have significant business experience that is relevant and beneficial to the Board and Westwood, (ii) are willing and able to make a sufficient time commitment to the affairs of Westwood to effectively perform the duties of a director, including regular attendance at Board and committee meetings, (iii) are committed to the long-term growth and profitability of Westwood, (iv) are individuals of character and integrity, (v) are individuals with inquiring minds willing to challenge and stimulate management and (vi) represent the interests of Westwood as a whole and not just the interests of a particular stockholder or group. The Governance/Nominating Committee does not have a specific policy considering diversity in identifying director candidates, but uses the criteria listed above. The Governance/Nominating Committee believes these criteria are the key factors in identifying qualified director candidates.

The Governance/Nominating Committee has a policy for considering new director candidates recommended by our stockholders if such recommendations are made in compliance with the following procedures. A stockholder wishing to recommend a candidate for inclusion as a director nominee in the proxy statement for our annual meeting must submit a written notice of the recommendation to our Corporate Secretary at our principal executive office. The submission must be received at our principal executive office not fewer than 120 calendar days before the one-year anniversary of the date that the proxy statement for the previous year's annual meeting was released to stockholders. However, if we did not hold an annual meeting during the previous year, or if the date of the current year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline will be a reasonable time before we begin to print and mail our proxy materials. For the 2018 annual meeting, the deadline is November 20, 2017. Director candidates recommended by stockholders are evaluated by the Governance/Nominating Committee using the same criteria applied by the Governance/Nominating Committee to director candidates identified by that committee, as described in the previous paragraph.

To be valid, a stockholder's notice to the Corporate Secretary must set forth (i) the name and address of the stockholder recommending such candidate, as such information appears on our books (if the stockholder is a record holder), (ii) the class and number of shares of Westwood stock beneficially owned by the stockholder, (iii) the name, age, business address and residence address of each candidate proposed in the notice, (iv) each candidate's biographical data and qualifications, (v) the class and number of shares of Westwood stock beneficially owned by the candidate, if any, (vi) a description of all arrangements or understandings between the stockholder (or between any person(s) at whose request the stockholder is making the recommendation) and each candidate, and (vii) any other information required to be disclosed in solicitations of proxies for election of directors or otherwise required pursuant to Regulation 14A under the Exchange Act. The foregoing information must be provided with respect to any person that the stockholder proposes to recommend for election or re-election as a director. The prospective candidate's signed written consent to being named in the proxy statement as a nominee and to serving as a director if elected must also be provided.

For the 2017 Annual Meeting, our Governance/Nominating Committee has not received a candidate recommendation from any stockholder (or group of stockholders), including any stockholder (or group of stockholders) that beneficially owns more than five percent of our common stock.

Communications with the Board

Stockholders or other interested parties may communicate with the Board of Directors or particular Board members (including our Chairman or non-management directors as a group) by mailing a written communication to our Corporate Compliance Officer at 200 Crescent Court, Suite 1200, Dallas, Texas 75201, by email to compliance@westwoodgroup.com or by telephone to 214-756-6900. All communications are received and processed by the Corporate Compliance Officer before being referred to the appropriate Board member(s). Complaints relating to our accounting, internal controls or auditing matters, and concerns regarding questionable accounting or auditing matters, are referred to the Chairman of the Audit Committee. Other communications intended for the Board of

Directors at large are referred to our Chairman, while communications intended for specific Board members are referred to those Board members. Advertisements, solicitations for periodicals or other subscriptions, and similar communications are not forwarded to Board members. In the event that a complaint or concern appears to involve the Corporate Compliance Officer, then the stockholder or other interested party is encouraged to contact directly the Chairman of the Audit Committee, Ellen H. Masterson at emasterson@westwoodgroup.com.

Stockholders may also communicate directly with Board members at the annual meetings of stockholders, as it is our policy that Board members should attend such meetings and make themselves available to address any matters properly brought before the meetings. All of our Board members attended the 2016 annual meeting of stockholders.

Code of Business Conduct

All of our employees, including our principal executive officer, principal financial officer and principal accounting officer, and all of our directors, are required by our Code of Business Conduct to conduct business in the highest legal and ethical manner. The full text of the Code of Business Conduct is available on our website at www.westwoodgroup.com. In addition, a copy of the Code of Business Conduct is available upon written request to our Corporate Secretary at our principal executive office address. We intend to post amendments to or waivers from the Code of Business Conduct as required by applicable rules on our website.

Our employees are required to report any conduct that they believe could in any way be construed as a fraudulent or illegal act or otherwise in violation of the Code of Business Conduct. The Audit Committee has established procedures to receive, retain and address complaints regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of related concerns.

Director Compensation

We pay each non-employee member of our Board of Directors a $60,000 annual retainer. The Chairman of the Board receives an additional $20,000 annual retainer, the committee chairs for the Audit and Compensation Committees each receive an additional $10,000 annual retainer and the committee chair for the Governance/Nominating Committee receives an additional $5,000 annual retainer. There are no fees for attendance at Board or committee meetings. Additionally, upon election or re-election as a member of our Board of Directors, each non-employee director is awarded restricted shares of our common stock, which generally vest 12 months from the date of grant. Each restricted share award is to be made in a number of shares equal in value to $90,000 on the date of the award. The Board has established a policy that non-employee directors should own a minimum number of shares of our common stock equal to five times the dollar amount of their annual retainer within five years of their initial election or the establishment of this policy, whichever is later. In the event a significant decline in the price of the Company's common stock causes a non-employee director's holdings to fall below the applicable threshold, that non-employee director will not be required to purchase additional shares to meet the threshold, but such non-employee director may not sell or transfer any shares until holdings above the threshold has again been achieved. Compliance with these stock ownership guidelines is evaluated periodically as determined by our Board of Directors. As of December 31, 2016, all of our non-employee directors were in compliance with, or on target to meet, the requirements of this stock ownership policy within the established compliance time-frame.

The Compensation Committee reviews our compensation arrangements for directors from time to time. Brian O. Casey, our President and Chief Executive Officer, is not included in this table as he is a Company employee and receives no compensation for his service as director. See "Executive Compensation" for information concerning Mr. Casey's compensation. The Company's executive officers do not make recommendations regarding the non-employee directors' compensation.

2016 Director Summary Compensation Table

Name	Fees Earned or Paid in Cash ($)	All Other Compensation ($) (1)	Stock Awards ($) (2)	Total ($)
Susan M. Byrne	60,000	252,500	90,000	402,500
Richard M. Frank	90,000	5,000	95,000	190,000
Ellen H. Masterson	70,000	5,000	95,000	170,000
Robert D. McTeer	60,000	5,000	95,000	160,000
Geoffrey R. Norman	60,000	5,000	95,000	160,000
Martin J. Weiland	65,000	5,000	95,000	165,000
Raymond E. Wooldridge	60,000	4,000	95,000	159,000

(1) Susan M. Byrne earned $250,000 as a consultant for the Company from January 1, 2016 to December 31, 2016. Each non-employee director also earns a $1,000 annual retainer and $1,000 for each regularly scheduled quarterly meeting for serving on the separate Board of Directors of Westwood Trust.

(2) Stock awards include a $90,000 award for each non-employee director and a $5,000 award for each non-employee director serving on the separate Board of Directors for Westwood Trust. Stock awards reflect the grant date fair value of the time-based restricted stock granted to directors in 2016 in accordance with Accounting Standards Codification Topic 718 ("ASC 718"), "Stock Compensation" (except no assumptions for forfeitures were included). The assumptions used in the valuation of the restricted stock awards are discussed in Note 9 "Employee Benefits" of our audited financial statements, which are included in our 2016 Annual Report on Form 10-K. All restricted stock grants were made under the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan and are subject to a one-year vesting period as described above.

As of December 31, 2016, our directors, other than Brian O. Casey, held the following unvested restricted stock:

Name	Unvested Restricted Stock
Susan M. Byrne(1)	1,488
Richard M. Frank(1)	1,570
Ellen H. Masterson(1)	1,570
Robert D. McTeer(1)	1,570
Geoffrey R. Norman(1)	1,570
Martin J. Weiland(1)	1,570
Raymond E. Wooldridge(1)	1,570

(1) Issued on April 27, 2016 and have a vesting date of April 27, 2017, subject to such director's continued service as a director through the vesting date.

EXECUTIVE OFFICERS

Biographical information regarding Westwood's current executive officers and other key employees is as follows:

Brian O. Casey, age 53. See biographical information in the "Proposal 1 – Election of Directors" section.

Tiffany B. Kice, age 49, joined Westwood in 2014 and serves as Senior Vice President, Chief Financial Officer and Treasurer. Prior to joining Westwood, Ms. Kice served as Chief Financial Officer and Treasurer of CEC Entertainment, Inc. ("CEC"), a Dallas-based company that operates a chain of pizza and children's entertainment restaurants. CEC was an NYSE-listed company until February 2014. From 1995 to 2010, she was with KPMG LLP where she became an Audit Partner in 2006. Ms. Kice is a Certified Public Accountant and is a member of the American Institute of Certified Public Accountants.

Mark R. Freeman, age 49, has served as Executive Vice President and Chief Investment Officer since February 2012. Mr. Freeman served as Executive Vice President and Co-Chief Investment Officer from January 2011 to February 2012. He served as Senior Vice President and Portfolio Manager for Westwood from July 2006 to December 2010. He joined Westwood in 1999 as Assistant Vice President and served as Vice President and Portfolio Manager from July 2000 to July 2006. Mr. Freeman is a member of the American Economics Association, the CFA Institute, and the CFA Society of Dallas/Fort Worth. Additionally, he is a member of the Board of Trustees of Millsaps College, and serves as a board member for the Wilson Fund.

Julie K. Gerron, age 49, has served as Senior Vice President, General Counsel of Westwood since March 2013 and Corporate Secretary since March 2014. Prior to that, she served as Vice President, General Counsel from July 2007 to March 2013, and as Vice President, Assistant General Counsel from July 2005 to July 2007. Ms. Gerron previously served as Vice President, Research Analyst from January 2004 to July 2005. From 1998 to 2004, Ms. Gerron worked at Smith & Summers LLC where she served as portfolio manager for various funds. From 1992 to 1998, she worked for various branches of the State of Oklahoma government, including as Assistant Attorney General, Deputy General Counsel of the Insurance Department, and as Special Counsel to the Executive Director of the House of Representatives. Ms. Gerron is a member of the State Bar of Texas, the State Bar of Oklahoma and the CFA Institute.

Randall L. Root, age 56, has served as President of Westwood Trust, Dallas since March 2013. Prior to that, he served as Senior Vice President – Trust Investment Officer from June 1999 to March 2013. He joined Westwood in 1993 as Assistant Vice President, Research Analyst. He has extensive experience in asset allocation and separate account management of client portfolios, as well as new business development and ongoing client service. Mr. Root is a member of the Westwood Trust Board of Directors. He serves on the Advisory Council of the Dallas Foundation, on the Board of Equest Therapeutic Horsemanship, and on the Finance Committee of the Dallas Zoo. He is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

There are no family relationships among the directors, executive officers and other key employees of Westwood, except as described under "Certain Relationships and Related Party Transactions – Review and Approval of Related Party Transactions."

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis provides information regarding our executive compensation program in 2016 for the following executive officers of the Company (collectively, the "named executive officers"):

- Brian O. Casey, President and Chief Executive Officer;
- Tiffany B. Kice, Senior Vice President, Chief Financial Officer & Treasurer;
- Mark R. Freeman, Executive Vice President and Chief Investment Officer;
- Julie K. Gerron, Senior Vice President, General Counsel and Corporate Secretary; and
- Randall L. Root, President, Westwood Trust Dallas

Overview of our Executive Compensation Program

The intellectual capital of our employees is one of the most important assets of our firm. As an asset manager, our financial results are primarily based upon the amount of assets we manage, which is dependent on our ability to generate competitive long-term investment performance, build strong relationships with clients, investment consulting firms and other financial intermediaries, provide attentive client service and develop new client relationships, all of which depend, in part, on the intellectual capital of our employees, including the named executive officers.

Highlights of our 2016 performance include the following:

- Assets under management as of December 31, 2016 were $21.2 billion, a 2% increase compared to $20.8 billion at December 31, 2015; average assets under management decreased 2% to $21.2 billion for 2016 compared to 2015, which contributed to a 6% decrease in total revenues in 2016.
- Strong performance in our Emerging Markets, SmallCap Value and Global Convertibles strategies.
- Our Concentrated LargeCap strategy reached its three-year anniversary with performance well ahead of its benchmark over the three-year period.
- In October 2016, the Board approved a 9% increase in our quarterly dividend to $0.62 per share, or an annual rate of $2.48, resulting in a dividend yield of 4.1% using the year-end stock price of $59.99 per share.
- Our financial position remains strong with liquid cash and investments of $90.2 million and no debt as of December 31, 2016.

We believe that the quality, expertise and commitment of our named executive officers are critical to achieving our business objectives and strategies. Accordingly, a principal objective of our executive compensation program is to deliver competitive total direct compensation (i.e., base salary, annual cash incentive awards, long-term equity awards, and mutual fund awards) that attract, motivate and retain talented executives who can contribute to the success of our business.

We also believe it is important that our executive compensation program reflect strong corporate governance.

Significant Aspects of our Executive Compensation Program

What We Do	What We Do Not Do
ü Variable "at risk" compensation accounts for a significantly larger portion of pay than fixed base salary	û We do not provide significant perquisites to executives
ü Compensation outcomes are aligned with performance achievement	û We prohibit hedging and short-sales of Company stock by executives and directors
ü Incentive plan payouts for executives have caps on the amount that can be earned	û We discourage executives and directors from pledging Company stock or holding shares in a margin account
ü Change-in-control severance is "double trigger"	û We do not pay dividends on unvested equity-based compensation awards
ü Officers and directors are required to own significant amounts of Company stock	û We prohibit repricing of stock options without shareholder approval
ü Clawback policy allowing recoupment of incentives for financial restatements due to misconduct or fraud	û We do not gross-up change-in-control related benefits for excise tax
ü Provide reasonable post-employment and change-in-control arrangements	
ü The Committee reviews competitive compensation market data relative to our peer group and our industry	

Stockholders Advisory Vote on Executive Compensation

Our last advisory vote on our executive compensation was at our 2014 Annual Meeting of Stockholders, whereby the stockholders approved the non-binding resolution relating to executive compensation. We are continuously evaluating our pay practices and, as further discussed in Proposal 4 of this proxy statement, we are conducting an advisory vote on our executive compensation at this year’s Annual Meeting of Stockholders.

Compensation Committee Response to 2014 Say on Pay Vote

In response to the voting results from our 2014 shareholder advisory vote on executive compensation, the Compensation Committee engaged a third party compensation consultant to review our executive compensation arrangements during 2015 and, as a result, adopted significant changes to our executive compensation program for 2016.

- Entered into a new employment agreement with our Chief Executive Officer, Mr. Casey, which provides for the following features:
  - Three-year term (shortened from a five-year term under the previous agreement);
  - Double-trigger change-in-control related cash severance, requiring a qualifying termination of employment within 24 months following a qualifying change-in-control event; and
  - "Net best" treatment for potential excise taxes (no gross-up provided);
- Implemented stock ownership guidelines for the CEO, certain other executives and members of our Board of Directors, requiring the following minimum holdings:
  - Chief Executive Officer holdings equal 6x base salary;
  - Officers reporting directly to CEO holdings equal 3x base salary;
  - Non-employee members of our Board of Directors holdings equal 5x cash retainer; and
  - For each of the above, those subject to these stock ownership guidelines have up to five years to meet the minimum ownership level and are required to hold 100% of net shares acquired through vesting of equity-based compensation programs until the minimum guideline level is met;
- Adopted a "clawback" policy allowing our Board of Directors the discretion to recoup incentive compensation earned for performance that was subject to materially misstated financial reporting due to misconduct or fraud;

- Modified the annual incentive plan for the CEO from a fixed percentage of annual pretax income to a more structured scorecard with multiple pre-established performance goals to improve the alignment of executive pay with Company performance and to diversify performance metrics so that our short- and long-term incentive plans no longer have significantly overlapping performance criteria;
- Modified the long-term incentive program for the CEO for 2016 from a front-loaded five-year equity award to an annual performance-based award structure equally weighted between two performance-based restricted stock awards, each tied to its own annual performance goal with additional time-based vesting; and
- Modified the peer group of companies used to benchmark compensation in 2015 (for informing 2016 compensation decisions) to a set of companies more reflective of Westwood’s size, complexity and business.

Furthermore, to demonstrate the Compensation Committee’s commitment to aligning pay and performance, Mr. Casey and the Compensation Committee mutually agreed to reduce the number of shares Mr. Casey earned under his 2016 performance-based restricted stock award. The formulaic outcome would have resulted in an above-target amount of shares that would then be subject to continued time-based vesting; however, this amount was reduced to target based on a mutual agreement between Mr. Casey and the Compensation Committee.

CEO Realized Pay

The pay of our Chief Executive Officer, Mr. Casey, as reported in the 2016 Summary Compensation Table, reflects the accounting value of long-term equity awards at grant and not the value actually realized by him from these awards. Since a significant portion of the reported compensation of Mr. Casey represents potential pay, we believe it is useful to supplement the information provided in the 2016 Summary Compensation Table by also looking at the pay that Mr. Casey actually realized during the year. The table below compares our adjusted pre-tax income to Mr. Casey’s "realized pay" for each of the last five years, illustrating the strong correlation between our financial performance and the pay actually received by our Chief Executive Officer.

For 2017, the Company adopted similar significant changes to our executive compensation program for our Chief Investment Officer:

- Entered into a new employment agreement with Mr. Freeman, effective as of January 1, 2017, which provides for the following features:
  - Three-year term (shortened from a five-year term under the previous agreement);
  - Double-trigger change-in-control related cash severance, requiring a qualifying termination of employment within 24 months following a qualifying change-in-control event; and
  - "Net best" treatment for potential excise taxes (no gross-up provided).
- Modified our annual incentive plan for the CIO for 2017 from a fixed percentage of annual pre-tax income to a scorecard with multiple pre-established performance goals, to improve the alignment of executive pay with Company performance and to diversify performance metrics so that our short- and long-term incentive plans no longer have significantly overlapping performance criteria; and
- Modified our long-term incentive program for the CIO for 2017 from a front-loaded five-year equity award to an annual performance-based award structure equally weighted between two performance-based restricted stock awards, each tied to its own annual performance goal with additional time-based vesting.

Our last advisory vote on the frequency of executive compensation was at our 2011 Annual Meeting of Stockholders, and a majority of the votes cast favored conducting an advisory vote on executive compensation once every three years. As discussed in Proposal 5 of this proxy statement, we are conducting an advisory vote on the frequency of executive compensation at this year's Annual Meeting of Stockholders. The Board is recommending a change in the vote frequency from once every three years to an annual vote frequency in order to give our shareholders an opportunity to provide feedback on our executive compensation program on a more frequent basis.

Compensation Philosophy and Objectives

In designing and implementing our executive compensation program, the Compensation Committee is guided by the following philosophy and objectives:

- Deliver competitive total direct compensation at levels to attract, motivate and retain talented executives who can contribute to the success of our business;
- Award compensation that motivates and rewards short- and long-term individual and company performance; and
- Align named executive officers’ interests with those of our stockholders.

As further discussed below, during 2015 the Compensation Committee reviewed and considered market compensation data derived from the McLagan Survey and the Custom Peer Group (as defined below) to ensure, in its subjective judgment, that the named executive officers’ total direct compensation (i.e., base salary, annual cash incentive awards, long-term equity awards, and mutual fund awards in the case of Mr. Freeman) remained competitive in our marketplace for executive talent.

Role of Executive Officers in Compensation Decisions

In 2016, the Compensation Committee, in collaboration with Mr. Casey, formulated specific plans and awards designed to align our executive compensation program with our business objectives and strategies.

The Compensation Committee has full discretion regarding the compensation of our executive officers. Mr. Casey provided the Compensation Committee with his recommendations on the level and form of compensation for Messrs. Freeman and Root and Mses. Gerron and Kice based upon his annual review of these executive officers’ individual performance and, where applicable, their contractual employment arrangements. In 2016, the Compensation Committee reviewed and approved Mr. Casey’s recommendations without modification regarding the base salary adjustments, if any, annual cash incentive awards and long-term equity awards for Messrs. Freeman and Root and Mses. Gerron and Kice.

Mr. Casey did not make recommendations to the Compensation Committee with respect to his own compensation.

Setting Executive Compensation

Based on the foregoing philosophy and objectives, the Compensation Committee aims to structure the executive compensation program to motivate our named executive officers to achieve the Company's business objectives and strategies and to reward them for achieving such strategies and objectives.

Market Compensation Data.

The Compensation Committee reviewed market compensation data from the McLagan 2015 Investment Management Survey–U.S., a widely-used source for compensation information within public and private investment firms (the "McLagan Survey") and a custom peer group of publicly-traded asset management companies (collectively, the "Custom Peer Group").

The McLagan Survey provides detailed analyses of compensation in greater depth for investment management employees than those available from our public peers and specifically focuses on the asset management industry. The McLagan Survey provides market compensation data for approximately 219 public and private investment management firms. Compensation analysis for particular officer positions in the McLagan Survey does not identify individual investment management and advisory firms. Instead, market compensation data is presented in different groupings by headquarter location, range of assets under management and job function. Confidentiality obligations to McLagan Partners and its survey participants prevent the disclosure of the firms included in the survey.

For 2016, the companies comprising our Custom Peer Group were:

- Artisan Partners Asset Management
- Calamos Asset Management, Inc.
- Cohen & Steers, Inc.
- Diamond Hill Investment Group, Inc.
- Federated Investors, Inc.
- GAMCO Investors, Inc.
- Janus Capital Group Inc.
- Manning & Napier
- OM Asset Management Plc
- Pzena Investment Management, Inc.
- Silvercrest Asset Management Group, Inc.
- Virtus Investment Partners, Inc.
- WisdomTree Investments Inc.

The peer companies were selected primarily based upon their (i) industry, (ii) equity market capitalization at the time of selection and (iii) assets under management, all based on publicly available information during 2015. Based on these factors, in 2015 we added WisdomTree Investments Inc. to our Custom Peer Group and removed AllianceBernstein Holdings LP, Eaton Vance Corp., Legg Mason and Waddell & Reed Financial Inc.

Most peer companies that comprise the Custom Peer Group are much larger than us in terms of revenues and assets under management. The Compensation Committee considers this size disparity when looking at market compensation data derived from the Custom Peer Group in the context of evaluating and approving compensation for the named executive officers.

The Compensation Committee considers the market compensation data derived from the McLagan Survey and the Custom Peer Group similarly relevant, with neither source of information being the determinative factor in setting executive compensation levels. The Compensation Committee uses both sources of information as a "market check" to ensure, in its subjective judgment, that individual pay components remain competitive. The Compensation Committee does not target any individual pay component of the named executive officers to fall within a specific range or percentile of the market compensation data derived from the McLagan Survey or the Custom Peer Group.

2016 Executive Compensation Components

For 2016, the principal components of compensation for the named executive officers were:

Component of Pay	Purpose and Rationale
Base salary	Fixed portion of compensation intended to reward for execution of the primary day-to-day duties and responsibilities
Annual cash incentive awards	Variable at-risk element of pay designed to reward for achieving specific pre-established performance goals for a given fiscal year
Long-term equity awards	Variable at-risk element of pay designed to drive performance that delivers long-term value to shareholders and ties the interests of our executives to those of our shareholders, as well as retain critical talent
Employee and post-retirement benefits	Market-competitive form of compensation intended to assist with the financial security and the health and welfare of our executives during and after employment with Westwood

There is no pre-established target for the allocation between (i) cash and equity-based compensation and (ii) short-term and long-term incentive compensation. Rather, the Compensation Committee considers, among other things, Company performance, individual performance, and market compensation data derived from the McLagan Survey and Custom Peer Group, as well as its own subjective judgment to determine the appropriate level and mix of each component of the executive compensation program.

As shown in the graph below, a significant portion of the named executive officers’ 2016 total direct compensation - ranging from approximately 58% to 89% - represented "at risk" compensation, delivered in the form of annual cash incentive awards and long-term equity awards. This range excludes Ms. Kice, who was entitled to a minimum Annual Cash Incentive Award pursuant to the terms of her offer letter.

Base Salary

Base salary is the fixed component of the named executive officers' annual cash compensation. The Company provides the named executive officers with a base salary to compensate them for services rendered during the fiscal year and in recognition of their expertise, skills, knowledge and experience.

Salary levels are typically considered annually as part of our performance review process, as well as upon promotions, changes in job responsibilities, or in connection with the negotiation of terms of employment.

The base salaries of the named executive officers as of the beginning and end of 2016, including any adjustments made during the year, were as follows:

Named Executive Officers	Base Salary as of 1/1/16	Base Salary as of 12/31/16	Percentage Change
Brian O. Casey, President and Chief Executive Officer	$ 600,000	$ 650,000	8 %
Tiffany B. Kice, Senior Vice President, Chief Financial Officer & Treasurer	$ 225,000	$ 250,000	11 %
Mark R. Freeman, Executive Vice President and Chief Investment Officer	$ 500,000	$ 500,000	—
Julie K. Gerron, Senior Vice President, General Counsel and Corporate Secretary	$ 210,000	$ 225,000	7 %
Randall L. Root, President, Westwood Trust Dallas	$ 250,000	$ 250,000	—

While the Compensation Committee reviewed the market compensation data derived from the McLagan Survey and the Custom Peer Group when setting Mr. Casey's base salary, the Compensation Committee did not target his base salary to fall within a specific range or percentile of the market compensation data.

Annual Cash Incentive Awards

In general, the Compensation Committee approves annual cash incentive awards to each of the named executive officers. These awards are intended to focus named executive officers on achieving short-term business objectives and strategies and to enable them to participate in our growth and profitability.

Annual Cash Incentive Award of Mr. Casey

For 2016, Mr. Casey's annual incentives were significantly changed to provide for more detailed goal-setting and improved pay and performance alignment. Specifically, Mr. Casey's annual incentive opportunity changed from 3% of adjusted pre-tax income to an annual incentive target of $1,350,000 for 2016. Furthermore, Mr. Casey had the opportunity to earn 50% of target for achieving threshold performance and up to 185% of target for achieving maximum performance (with no payouts for performance below threshold levels). The annual incentive performance criteria were based on a scorecard with the following performance categories:

- Investment performance (25% weighting) - relative and peer group performance;
- Service and sales (25% weighting) - new sales and client retention;
- Financial results (25% weighting) - expense control, total shareholder return and dividend growth; and
- Strategic goals (25% weighting) - technology investment, strategic planning and growth initiatives.

Several specific, pre-established performance goals were established within each category. Based on the results for 2016 and the Compensation Committee's evaluation of Mr. Casey's performance against the scorecard performance goals, Mr. Casey earned a $1,350,000 annual cash incentive award in 2016, 100% of his 2016 incentive target of $1,350,000, which was paid in February 2017 (listed in column (f) in the "2016 Summary Compensation Table" below).

Annual Cash Incentive Awards of Mr. Freeman

Pursuant to the terms of his employment agreement, Mr. Freeman was eligible to earn a minimum annual cash incentive award in 2016 equal to 1.5% of the Company's 2016 adjusted pre-tax income (as defined below). This cash incentive award was subject to the Compensation Committee's oversight. In 2016, the Compensation Committee did not increase the minimum annual cash incentive award recommended for Mr. Freeman.

The Compensation Committee selected adjusted pre-tax income (or "API") as the basis for the performance formula for Mr. Freeman because it believes that this measure is a meaningful indicator of our performance and profitability and that structuring the annual cash incentive award in this way closely aligns his interests with our stockholders. The Compensation Committee chose the 1.5% minimum level based on its review of the market compensation data as well as its subjective judgment of the proper allocation of the annual cash incentive award to total direct compensation of Mr. Freeman.

Our API was determined based on our audited financial statements and in 2016 was equal to our income before income taxes increased by the expenses incurred for the year (a) for the annual cash incentive awards earned by Messrs. Casey and Freeman, (b) for incentive compensation for all other Company employees, (c) for performance-based restricted stock awards to Company employees (including Messrs. Casey and Freeman) and (d) mutual fund awards. At the Compensation Committee's discretion, API may also exclude start up, non-recurring, and similar expense items (no such adjustments were made for 2016). On February 23, 2017, the Compensation Committee certified 2016 API of $54.8 million. Mr. Freeman's annual cash incentive award earned in 2016 and paid in February 2017 is listed in column (f) in the "2016 Summary Compensation Table" below.

To align the Chief Investment Officer's annual cash incentive compensation structure with that of the Chief Executive Officer, Mr. Freeman's annual incentives have been significantly changed to provide for more detailed goal-setting and improved pay and performance alignment. Specifically, for 2017, Mr. Freeman's annual incentive opportunity has been changed from 1.5% of API to an annual incentive target of $750,000. Furthermore, Mr. Freeman has the opportunity to earn 50% of target for achieving threshold performance and up to 185% of target for achieving maximum performance (with no payouts for performance below threshold levels). The annual incentive performance criteria will be based on a scorecard with the following performance categories:

- Investment performance (40% weighting);
- Strategic goals (35% weighting)
- Sales and service (15% weighting); and
- Financial results (10% weighting).

Several specific, pre-established performance goals will be established within each category. At the end of 2017, the Compensation Committee will evaluate Mr. Freeman's performance against the scorecard performance goals to determine his annual incentive payout. We will disclose the details of this scorecard in next year's proxy.

Mutual Fund Award for Mr. Freeman

Mr. Freeman is eligible throughout the term of his employment agreement to receive "mutual fund share bonus awards" that may be granted from time to time by our Board or the Compensation Committee. These mutual fund share bonus awards are annual performance bonus awards, the amounts and payment of which are conditioned on one or more of our mutual funds achieving one or more performance goals established by the Compensation Committee. The Compensation Committee created these mutual fund bonus awards to provide significant motivation for Mr. Freeman to maximize the performance of one or more of our mutual funds, which the Compensation Committee believes will benefit the Company and its stockholders by attracting investments into such fund(s). Mr. Freeman's employment agreement provides that any mutual fund bonus award granted to him must be pursuant to an agreement similar to the 2016 Mutual Fund Share Incentive Agreement (as defined below) and (i) provide a target bonus amount no less than the amount of his then-current base salary and (ii) be subject to performance criteria tied to bonus award amounts that provide Mr. Freeman an equal or better opportunity for success than he had under the terms of the Mutual Fund Share Incentive Award dated February 7, 2012.

For 2016, Mr. Freeman and the Company entered into a Mutual Fund Share Incentive Agreement, dated March 10, 2016 (the "2016 MFSI Agreement"). The 2016 MFSI Agreement provided that Mr. Freeman was eligible to earn (i) $500,000 (the target bonus amount) if the Westwood Income Opportunity Fund (the "Fund") received a 4-star overall rating from Morningstar for the Fund performance period that commenced on January 1, 2016 and ended on

December 31, 2016 (the "performance period") and (ii) $1 million (the maximum bonus amount) if the Fund received a 5-star overall rating from Morningstar for the performance period, either of which is subject to vesting as further described below. The 2016 MFSI Agreement alternatively provided that Mr. Freeman was eligible to earn (i) $500,000 (the target bonus amount) if the Fund received a 3-star overall rating, and (ii) $1 million if the Fund received a 4-star or 5-star overall rating in the event the Fund was classified in the Allocation-50-70% Equity Category reported by Morningstar at the end of the performance period, and the Fund's Morningstar Risk Rating for the performance period was "Below Average" or "Low". If the Compensation Committee determined that the fund had received a 3-, 4- or 5-star overall rating from Morningstar, then the amounts of $500,000 or $1 million, as applicable, would be notionally credited to a bookkeeping account (the "account") maintained by the Company and converted, on a notional basis, to a number of fund shares equal to the bonus amount divided by the net closing value of a Fund share on the date the bonus amount is credited to the account. The value of Mr. Freeman’s account adjusts (up or down) to reflect changes in the net value of the Fund shares credited to the account. If and when distributions are paid by the Fund with respect to its shares, the Company would credit Mr. Freeman’s account with additional Fund shares having a value equal to the amount of the distributions that would have been payable if the Fund shares credited to the account were issued and outstanding. Mr. Freeman’s right to receive payment of the amount credited to his account vests on the earliest of (i) December 31, 2017, provided that he remains continuously employed by the Company through that date, (ii) the date of his death, (iii) the date of his disability (assuming the Compensation Committee exercises its discretion to accelerate such vesting), (iv) upon a change in control of the Company where the successor does not honor the terms of the 2016 MFSI Agreement, or (v) upon Mr. Freeman’s involuntary termination without cause or voluntary termination for good reason following a change in control. Payment of the amount credited to Mr. Freeman’s account may, in the Compensation Committee’s discretion, be in Fund shares, cash or other property, and subject to any applicable tax withholding. Payment is due within 30 days of the applicable date of vesting.

For 2016, Mr. Freeman received a mutual fund bonus award of $1 million under the 2016 MFSI Agreement since the Fund received a 4-star rating for the performance period and was classified by Morningstar in the Allocation-50-70% Equity Category with a Low Risk Rating. This amount is listed in in column (f) in the "2016 Summary Compensation Table".

In 2017, the Compensation Committee revised Mr. Freeman's form of mutual fund incentive awards, whereby Mr. Freeman's right to receive payment of the amount credited to his account vests ratably over a two-year period (previously vested over one year).

Annual Cash Incentive Award for Messrs. Freeman and Root and Mses. Kice and Gerron

We maintain a Company bonus pool in which nearly every employee of the Company is eligible to participate. In 2016 the Company bonus pool totaled $14.4 million, representing approximately 26% of the Company’s 2016 API (as defined above). The Compensation Committee reviews the level of the bonus pool annually to ensure that, in its subjective judgment, the levels reflect industry practices, will adequately fund potential bonuses and will provide sufficient capacity to reward extraordinary performance, if and when earned. The amount and calculation of the bonus pool are subject to change at the discretion of the Compensation Committee.

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"), which is included within the overall Company 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, retains 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 the 2016 Umbrella Performance Cycle was equal to twenty-one percent (21%) of the Company’s API, 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 the 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 Umbrella 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.

The following 2017 annual incentive payouts were all part of the 2016 Umbrella Bonus Pool:

Name	2016 Annual Incentive Payout	Determining Factors
Tiffany B. Kice[(1)]	$237,500	Contributions to the Company's strategic initiatives, including corporate development, financial and tax planning; Membership on the Company's Information Technology Steering Committee, Enterprise Risk Management Committee and Disclosure Committee; and Firm-wide oversight and enhancements of our financial reporting process and internal control over financial reporting.
Julie K. Gerron	$190,000	Management and oversight of our compliance with legal and regulatory requirements; Management and oversight of risk management issues, including review and negotiation of legal agreements and participation in internal risk management committees; Oversight of external counsel with a goal toward timely resolution of legal issues (e.g. litigation, trademark issues, corporate governance, etc.); and Effective representation of our legal and compliance program and processes to clients, investment consulting firms and other financial intermediaries.
Randall L. Root	$125,000	Oversight of responsibilities for the Westwood Trust home office and leadership of the Westwood Trust Investment Committee and Asset Allocation Committee.

(1) Pursuant to the terms of Ms. Kice's Offer Letter, she was entitled to a minimum cash bonus target of $225,000 for 2016 (payable in February 2017), subject to Compensation Committee approval.

Cash incentive awards earned in 2016 and paid in 2017 to Mses. Kice and Gerron and Mr. Root are listed in column (d) in the "2016 Summary Compensation Table" below.

Long-Term Equity Awards

Each year, the Compensation Committee grants long-term equity awards to our named executive officers under the Third Amended and Restated Westwood Holdings Group, Inc. Stock Incentive Plan (the "Stock Incentive Plan"). These equity awards are intended to attract, retain and motivate our named executive officers as well as focus them on our long-term performance.

While the Stock Incentive Plan authorizes the grant of several types of equity awards, the Compensation Committee currently expects that the named executive officers' long-term equity awards will be limited to time-based restricted stock awards and performance-based restricted stock awards.

Unless the Compensation Committee determines otherwise, recipients of restricted stock awards will generally have the right to vote the underlying restricted shares. Dividends on restricted stock awards are accrued and payable to the recipient only when the underlying restricted shares vest. Any accrued dividends on forfeited shares are forfeited. No restricted shares may be sold, transferred, or pledged during the restricted period.

The Company does not have a formal policy on timing equity compensation grants in connection with the release of material non-public information that may affect the value of compensation. In the event that material non-public information becomes known to the Compensation Committee prior to granting equity awards, the Committee will take the existence of such information under advisement and make an assessment on whether or not to delay the grant of the equity award in order to avoid any impropriety or appearance of impropriety.

Time-Based Restricted Stock Awards

The Compensation Committee believes that restricted stock awards align the interests of our named executive officers with those of our stockholders because the value of the awards is tied to the market value of our common stock.

Time-based awards are generally subject to ratable vesting over four years based on the following vesting schedule:

- 50% of awards vest upon the second anniversary of the grant date;
- 25% of awards vest upon the third anniversary of the grant date; and
- 25% of awards vest upon the fourth anniversary of the grant date.

In February 2016, the Compensation Committee awarded the following time-based restricted stock grants to our named executive officers:

Name	Number of Restricted Shares Granted (#)	Grant Date Fair Value of Shares ($) (1)
Tiffany B. Kice	5,264	249,566
Julie K. Gerron	5,788	274,409
Randall L. Root	5,264	249,566

(1) Amounts reflect the grant date fair value of time-vested restricted stock award granted to Mses. Kice and Gerron and Mr. Root in 2016, computed in accordance with ASC 718 (except that no assumptions for forfeitures were included). The assumptions used in the valuation of the restricted stock awards are discussed in Note 9 "Employee Benefits" of our audited financial statements, included in our 2016 Form 10-K. The grant date fair value for time-vested awards for Mses. Kice and Gerron and Mr. Root was based on $47.41 per share, which was the closing price of our common stock on the grant date of February 23, 2016, adjusted for the accrual of dividends on unvested shares.

Performance-Based Restricted Stock Awards

The Compensation Committee believes that granting performance-based restricted stock awards to Messrs. Casey and Freeman strengthens the alignment of their interests with our stockholders and clients.

Chief Executive Officer

Beginning in 2016, long-term incentive awards for Mr. Casey were determined by the Compensation Committee on an annual basis, versus the front-loaded approach used in his prior employment agreement. Mr. Casey's long-term incentive awards for 2016 included:

- A performance-based restricted stock award for 35,766 performance shares, which is earned as follows:

50% in performance shares earned based upon an API goal of $40 million for 2016, which vest ratably over a three-year period, and

50% in performance shares earned based upon an API target of $47 million for 2016, but ranges from 50% of target for threshold performance of $40 million to 185.25% of target for maximum performance of $59 million ("Target Performance shares"), which vest ratably over a three-year period.

On February 22, 2017, the Compensation Committee and Mr. Casey agreed that the amount that ultimately vested should be reduced to target performance to better align Mr. Casey's compensation with our financial performance for the 2016 fiscal year. Accordingly, on that date, the Compensation Committee and Mr. Casey entered into a Waiver of Certain Performance Shares Under the Performance Share Agreement whereby Mr. Casey waived his right to receive any performance shares in excess of 100% of the target level.

A performance-based restricted stock award for 35,000 shares earned based upon a performance goal of API of $35.3 million for 2016, which vests ratably over a two-year period ("One-Time Performance shares")

This "bridge grant" is a one-time grant due to the change in vesting terms of Mr. Casey's performance-based restricted stock awards from 100% vesting in one year to vesting ratably over a three-year period and will not be a part of Mr. Casey's future compensation program.

Based on actual 2016 API of $54.8 million, the following table illustrates the performance shares Mr. Casey earned:

	Shares	%
Non-variable shares earned[(1)]	17,883	
Target Performance shares		
Threshold	8,942	50.00 %
Target	17,883	100.00 %
Maximum	33,128	185.25 %
Target Performance shares earned based on API	27,960	156.35 %
Waived Target Performance shares[(2)]	10,077	(56.35)%
Target Performance shares earned[(1)]	17,883	100.00 %
One-Time Performance shares earned[(3)]	35,000	
Total performance-based shares earned	70,766	

(1) One third of these shares vested on March 10, 2017. The remainder will vest 50% on March 10, 2018 and 2019, subject to Mr. Casey's continued employment with the Company through each vesting date. Any unvested shares will accelerate and become fully vested upon Mr. Casey's death, disability, termination without cause or for good reason, or upon a change of control.

(2) As noted above, on February 22, 2017, Mr. Casey and the Company entered into an agreement pursuant to which Mr. Casey waived his right to receive any performance shares in excess of 100% of the target level.

(3) One half of these shares vested on March 10, 2017. The remaining shares will vest on March 10, 2018, subject to Mr. Casey's continued employment with the Company through each vesting date. Any unvested shares will accelerate and become fully vested upon Mr. Casey's death, disability, termination without cause or for good reason, or upon a change of control.

As allowed under the Stock Incentive Plan and approved by the Compensation Committee, Mr. Casey will surrender approximately 12,500 of the vested shares in order to partially satisfy tax withholding requirements due to the vesting of these shares.

Chief Investment Officer

In 2012, the Compensation Committee granted a restricted stock award to Mr. Freeman for 100,000 shares, of which 20,000 shares vest annually over a period of five years, provided that the performance goal for each fiscal year has been met. For 2016, the performance goal was API of not less than $35.3 million. Based on 2016 API of $54.8 million, Mr. Freeman earned 20,000 shares, all of which vested in February 2017. As allowed under the Stock Incentive Plan and approved by the Compensation Committee, Mr. Freeman surrendered 8,390 of the vested shares in order to partially satisfy tax withholding requirements due to the vesting of these shares.

To align the Chief Investment Officer's long-term equity compensation structure with that of the Chief Executive Officer, beginning in 2017, long-term incentive awards for Mr. Freeman will be determined by the Compensation Committee on an annual basis, versus the front-loaded approach used in his prior employment agreement. Mr. Freeman's long-term incentive awards will include:

- 50% in performance shares that are earned based upon a specified annual performance goal, which vest ratably over a three-year period, and
- 50% in performance shares that are earned based upon a distinct annual performance target ("Target Performance shares"), which vest ratably over a three-year period. The number of Target Performance shares that can be earned can range from 25% of target for threshold performance to 185% of target for maximum performance (no shares are earned for performance below threshold).

Employee and Post-Retirement Benefits

We offer employee and post-retirement benefits to all full-time employees, including the named executive officers, in order to provide them with a reasonable level of financial support in the event of injury, illness or disability and to help them accumulate retirement savings on a tax-favored basis. All employees are generally eligible to participate in benefit programs including medical, dental and vision insurance coverage, disability insurance and life insurance. In addition, all U.S. employees are generally eligible to participate in applicable savings plans. The cost of health insurance and savings plans is partially borne by the Company, including costs for the named executive officers. We bear the cost of disability insurance and a set amount of term life insurance for all employees.

Savings Plan and Matching Contributions

Under the Company’s U.S. Westwood Holdings Group, Inc. Savings Plan (the "U.S. Savings Plan"), all U.S. based employees, including the named executive officers, are eligible to make 401(k) contributions to their plan accounts subject to annual IRS limits. We fully match employee contributions up to 6% of their eligible compensation (subject to IRS limits). Employees are vested immediately in their 401(k) contributions as well as in the Company match.

Profit Sharing Contributions

The Company’s U.S. Savings Plan also authorizes us to make discretionary annual contributions to U.S. employees’ Savings Plan accounts based on our profitability and performance. The profit sharing component of the Savings Plan is meant to be broad-based and all U.S. employees, including the named executive officers, are eligible for discretionary profit sharing contributions. Profit sharing contributions are subject to a six-year graded vesting schedule based on an employee’s years of service. For 2016, we made a discretionary contribution for all eligible employees equal to 4% of their eligible compensation (subject to IRS limits).

For 2016, the Company made 401(k) Company matching contributions and Company profit sharing contributions totaling $26,500 for each of Messrs. Casey, Freeman and Root and Mses. Kice and Gerron.

Perquisites

In 2016 we did not provide significant perquisites to our named executive officers.

Tax and Accounting Implications

Compliance with Section 162(m) of the Internal Revenue Code

Section 162(m) of the Internal Revenue Code (the "Code") generally disallows public companies a tax deduction for federal income tax purposes for remuneration in excess of $1 million paid to our Chief Executive Officer and each of our four other most highly compensated executive officers (other than our Chief Financial Officer) in any taxable year. Generally, remuneration in excess of $1 million may only be deducted if it is "performance-based compensation" within the meaning of the Code.

The Compensation Committee believes that, in establishing cash and equity incentive compensation plans and arrangements for our executive officers, the potential deductibility of the compensation payable under those plans and arrangements should be only one of the relevant factors taken into consideration. For that reason, the Compensation Committee may deem it appropriate to provide one or more executive officers with the opportunity to earn incentive compensation, whether through cash incentive awards or equity incentive awards, as well as other forms of compensation, which may not be deductible by reason of Section 162(m) or other provisions of the Code.

The Compensation Committee believes it is important to maintain cash and equity incentive compensation at appropriate levels to attract and retain the individuals essential to our financial success, even if all or part of that compensation may not be deductible by reason of the Section 162(m) limitation.

COMPENSATION COMMITTEE REPORT

The Compensation Committee 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.

COMPENSATION COMMITTEE

Richard M. Frank, Chairman
Martin J. Weiland
Raymond E. Wooldridge

2016 Summary Compensation Table

The following table summarizes all compensation earned by our named executive officers for the years indicated.

Name and Principal Position (a)	Year (b)	Salary ($) (c) (1)	Bonus ($) (d) (2)	Stock Awards ($) (e) (3)	Non-Equity Incentive Plan Compensation ($) (f) (4)	All Other Compensation ($) (g) (5)	Total ($) (h)
Brian O. Casey	2016	650,000	—	3,954,038	1,350,000	26,500	5,980,538
President and Chief Executive Officer	2015	600,000	—	2,090,200	2,065,669	29,150	4,785,019
	2014	600,000	—	2,057,650	1,994,401	28,600	4,680,651
Tiffany B. Kice	2016	245,833	225,000	249,566	12,500	26,500	759,399
Senior Vice President, Chief Financial	2015	225,000	250,000	224,588	—	29,150	728,738
Officer & Treasurer	2014	84,375	110,000	74,888	—	64,219	333,482
Mark R. Freeman	2016	500,000	—	1,118,400	1,822,091	26,500	3,466,991
Executive Vice President and Chief	2015	500,000	—	1,242,400	2,032,835	29,150	3,804,385
Investment Officer	2014	500,000	250,000	1,175,800	1,997,201	28,600	3,951,601
Julie K. Gerron	2016	222,500	—	274,409	190,000	26,500	713,409
Senior Vice President, General Counsel	2015	208,333	190,000	249,515	—	29,150	676,998
and Corporate Secretary	2014	196,667	190,000	251,621	—	28,600	666,888
Randall L. Root	2016	250,000	—	249,566	125,000	26,500	651,066
President, Westwood Trust Dallas	2015	250,000	250,000	249,515	—	29,150	778,665
	2014	247,917	200,000	269,729	—	28,600	746,246

(1) This column represents base compensation earned during each of the fiscal years presented. Since a significant portion of the reported compensation of Mr. Casey represents potential pay, we believe it is useful to supplement the information provided in the above table by also looking at the pay that Mr. Casey actually realized during the year. See "Compensation Discussion and Analysis - CEO Realized Pay."

(2) Messrs. Freeman and Root and Mses. Kice and Gerron were granted non-plan cash incentive awards from a Company bonus pool, which was not based upon any pre-established performance goals. Pursuant to the terms of Ms. Kice's Offer Letter, she was entitled to a minimum cash bonus target of $225,000 for 2016, 2015 and 2014, prorated for her partial service in the 2014 performance year as determined by her start date.

(3) For 2016, the amounts contained in column (e) reflect (i) for Mr. Casey, the grant date fair value of his 2016 performance-based restricted stock awards based on target performance (70,766 shares), whereby the maximum threshold is 86,011 shares, or $4,805,607, (ii) for Ms. Kice, the grant date fair value of her time-vested restricted

stock award granted in 2016 (5,264 shares), (iii) for Mr. Freeman, the grant date fair value of the tranche of his 2012 performance-based restricted stock award that was earned in 2016 (20,000 shares), (iv) for Ms. Gerron, the grant date fair value of her time-vested restricted stock award granted in 2016 (5,788 shares), and (v) for Mr. Root, the grant date fair value of his time-vested restricted stock award granted in 2016 (5,264 shares).

For 2015, the amounts contained in column (e) reflect (i) for Mr. Casey, the grant date fair value of the tranche of his 2010 performance-based restricted stock award that was subject to vesting in 2015 (35,000 shares), (ii) for Ms. Kice, the grant date fair value of her time-vested restricted stock award granted in 2015 (3,640 shares), (iii) for Mr. Freeman, the grant date fair value of the tranche of his 2012 performance-based restricted stock award that was subject to vesting in 2015 (20,000 shares), (iv) for Ms. Gerron, the grant date fair value of her time-vested restricted stock award granted in 2015 (4,044 shares), and (v) for Mr. Root, the grant date fair value of his time-vested restricted stock award granted in 2015 (4,044 shares).

For 2014, the amounts contained in column (e) reflect (i) for Mr. Casey, the grant date fair value of the tranche of his 2010 performance-based restricted stock award that was subject to vesting in 2014 (35,000 shares), (ii) for Ms. Kice, the grant date fair value of her time-vested restricted stock award granted in 2014 (1,276 shares), (iii) for Mr. Freeman, the grant date fair value of the tranche of his 2012 performance-based restricted stock award that was subject to vesting in 2014 (20,000 shares), (iv) for Ms. Gerron, the grant date fair value of her time-vested restricted stock award granted in 2014 (4,280 shares), and (v) for Mr. Root, the grant date fair value of his time-vested restricted stock award granted in 2014 (4,588 shares).

The above grant date fair values reported in column (e) were calculated in accordance with Accounting Standards Codification Topic 718 ("ASC 718"), "Stock Compensation," except that no assumptions for forfeitures were included. The assumptions used in the valuation of the performance-based and time-vested restricted stock awards are discussed in Note 9 "Employee Benefits" of our audited financial statements, which are included in our 2016 Form 10-K. See the "Compensation Discussion and Analysis" section above for a further description of these restricted stock awards.

(4) For 2016, the amounts in column (f) reflect the cash payment to Mr. Casey, in accordance with his annual cash incentive award. The amounts for Mses. Kice and Gerron and Mr. Root reflect the cash payments made under our Umbrella Bonus Pool. The amount for Mr. Freeman includes: cash payment of 1.5% of our API, as defined, for the respective year; and $1.0 million in mutual fund shares earned under the terms of the Mutual Fund Share Incentive Agreement dated March 10, 2016 (the "2016 MFSI Agreement") as a result of the Westwood Income Opportunity Fund receiving a 4-star overall rating by Morningstar. Per the terms of the 2016 MFSI Agreement, this $1 million award was credited on January 6, 2017 to a notional account maintained by the Company and was deemed invested in 67,397 shares of the Westwood Income Opportunity Fund. Mr. Freeman’s right to receive payment of the amount credited to this account vests on the earliest of (i) December 31, 2017, provided that he remains continuously employed by the Company through that date, (ii) the date of his death, (iii) the date of his disability (assuming the Compensation Committee exercises its discretion to accelerate such vesting), (iv) upon a change in control of the Company where the successor does not honor the terms of the 2016 MFSI Agreement, or (v) upon Mr. Freeman’s involuntary termination without cause or voluntary termination for good reason following a change in control. Payment of the amount credited to Mr. Freeman’s account may, in the Compensation Committee’s discretion, be in Fund shares, cash or other property, and subject to any applicable tax withholding. Payment is due within 30 days of the applicable date of vesting.

For 2015, the amounts in column (f) reflect the cash payment of 3% of our API, as defined, for the respective year to Mr. Casey, in accordance with his annual cash incentive award. The amount for Mr. Freeman includes: cash payment of 1.5% of our API, as defined, for the respective year; and $1.0 million in mutual fund shares earned under the terms of the Mutual Fund Share Incentive Agreement dated March 4, 2015 (the "2015 MFSI Agreement") as a result of the Westwood Income Opportunity Fund receiving a 4-star overall rating by Morningstar. Per the terms of the 2015 MFSI Agreement, this $1 million award was credited on January 15, 2016 to a notional account maintained by the Company and was deemed invested in 73,260 shares of the Westwood Income Opportunity Fund. Mr. Freeman’s right to receive payment of the amount credited to this account vests on the earliest of (i) December 31, 2016, provided that he remains continuously employed by the Company through that date, (ii) the date of his death, (iii) the date of his disability (assuming the Compensation Committee exercises its discretion to accelerate such vesting), (iv) upon a change in control of the Company where the successor does not honor the terms of the 2015 MFSI Agreement, or (v) upon Mr. Freeman’s involuntary termination without cause or voluntary termination for good reason following a change in control. Payment of the amount credited to Mr. Freeman’s account may, in the Compensation Committee’s discretion, be in Fund shares, cash or other property, and subject to any applicable tax withholding. Payment is due within 30 days of the applicable date of vesting.

For 2014, the amount in column (f) for Mr. Freeman reflects $1.0 million in mutual fund shares earned under the terms of the Mutual Fund Share Incentive Agreement dated February 7, 2014, as amended (the "2014 MFSI Agreement") as a result of the Westwood Income Opportunity Fund receiving a 4-star overall rating by Morningstar. Per the terms of the 2014 MFSI Agreement, this $1 million award was credited on February 9, 2015 to a notional account maintained by the Company and was deemed invested in 68,074 shares of the Westwood Income Opportunity Fund. Mr. Freeman’s right to receive payment of the amount credited to this account vested on December 31, 2015.

The Company’s API, as defined, for 2016, 2015 and 2014 aggregated approximately $54.8 million, $68.9 million and $66.5 million, respectively. See the "Compensation Discussion & Analysis" section above for a further description of these cash incentive awards.

(5) The amounts in column (g) reflect each named executive officer’s 401(k) Company matching contribution and Company profit sharing contribution under the Savings Plan. See the "Compensation Discussion and Analysis" section above for a further description of the plan contributions in 2016. For Ms. Kice, the amount in 2014 includes a $50,000 cash signing bonus pursuant to the terms of her Offer Letter.

We currently have employment agreements with Messrs. Casey and Freeman. Under these agreements these executives receive a minimum base salary, are eligible to receive performance-based and discretionary bonuses, receive service-based and performance-based restricted shares, could become fully vested in their unvested equity compensation (depending on the cause of termination of employment), and could receive salary and benefits for up to two years (in the case of Mr. Casey) and one year (in the case of Mr. Freeman) after the termination of their employment (depending on the cause of termination of employment). In accordance with the terms of his employment agreement, Mr. Casey was paid an annual salary of $650,000 in 2016 and was eligible to receive an annual cash incentive award, as described above. Mr. Casey's agreement expires on December 31, 2018 and is auto-renewable for subsequent one-year periods. In accordance with the terms of his employment agreement, Mr. Freeman is paid a minimum annual salary of $500,000. Mr. Freeman was eligible to receive an annual incentive award, as described above. Mr. Freeman's agreement expired on January 1, 2017, and the Compensation Committee entered into a new employment agreement with Mr. Freeman effective January 1, 2017 through December 31, 2019. See the "Employment and Related Agreements" section set forth below for further discussion of these employment agreements.

In August 2014, we entered into an Offer Letter with Ms. Kice in connection with her hire as our Chief Financial Officer. The Company will pay Ms. Kice an annual base salary of not less than $225,000 and she received a $50,000 cash signing bonus on October 1, 2014. On October 23, 2014 Ms. Kice received a time-vested restricted stock award grant of the Company’s common stock valued at $75,000, which was subject to the approval of our Compensation Committee. Pursuant to the Stock Incentive Plan, 50% of the shares of restricted stock vested on October 23, 2016, and 25% of the shares of restricted stock will vest on each of the first and second anniversaries of such date.

As Chief Financial Officer, Ms. Kice is eligible to participate in all compensation and incentive plans generally available to Company employees, including (i) annual cash incentive awards as approved by the Compensation Committee, (ii) long-term equity incentive awards granted pursuant to the Stock Incentive Plan, and (iii) employee and post-retirement benefits, including those under the Savings Plan. Ms. Kice will receive a minimum cash bonus of $225,000 for each of 2014, 2015, 2016, 2017 and 2018. The cash bonus for 2014 was prorated based upon partial service in the performance year as determined by her start date. Ms. Kice will receive an annual restricted stock award grant of the Company’s common stock valued at an amount not less than $225,000 in February 2015, 2016, 2017 and 2018. The future cash bonus awards and future restricted stock awards are subject to the approval of the Compensation Committee.

Grants of Plan-Based Awards in 2016

The following table summarizes all grants of plan-based awards made to our named executive officers in 2016. The equity plan-based awards set forth below consisted solely of restricted shares of our common stock granted under the Stock Incentive Plan.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards				
Name (a)	Grant Date (b)	Threshold ($) (c)	Target ($) (d) (1)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g) (2)	Maximum ($) (e)	All Other Stock Awards: Number of Shares of Stock (#) (i) (3)	Grant Date Fair Value of Stock ($) (j) (4)
Brian O. Casey	3/10/16	675,000	1,350,000	2,497,500	17,883	35,766	51,011	—	1,997,816
	3/10/16	—	—	—	N/A	35,000	N/A	—	1,956,222
Tiffany B. Kice	02/23/16	N/A	12,500	N/A	—	—	—	5,264	249,566
Mark R. Freeman	3/10/16	—	—	—	N/A	20,000	N/A	—	1,118,400
	3/10/16	N/A	822,091	N/A	—				