

WESTWOOD HOLDINGS GROUP, INC.

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

This charter (this “**Charter**”) governs the operations of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Westwood Holdings Group, Inc. (the “**Company**”). The Committee reviews and reassesses this Charter at least annually and recommends appropriate changes to the Board.

Organization and Membership

The Chairperson and members of the Committee will be appointed by the Board, in consultation with the Corporate Governance/Nominating Committee, and will serve for a period of one year or until such time as his or her successor has been duly named or until such member’s earlier resignation, death or removal. Committee members may be removed (with or without cause) and replaced by the Board.

The Committee consists of at least three directors, each of whom will meet both the New York Stock Exchange (“**NYSE**”) and Securities and Exchange Commission (“**SEC**”) requirements with respect to independence as determined by the Board. Each member of the Committee will meet financial literacy and other NYSE requirements relating to Committee membership. Additionally, at least one member of the Committee will be an “audit committee financial expert,” as defined in rules promulgated by the SEC. Committee members will not simultaneously serve on the audit committees of more than two other public companies without prior Board approval.

Statement of Purpose

The Committee assists the Board in fulfilling its oversight responsibility relating to:

- The Company’s financial statements and financial reporting process;
- The Company’s compliance with legal and regulatory requirements;
- The qualifications, independence and performance of the Company’s independent auditors; and
- The qualifications, independence and performance of the Company’s internal audit function.

The Committee is also responsible for preparing the report required by the rules of the SEC to be included in the Company’s annual proxy statement.

Meetings

The Committee meets at least quarterly, either in person, telephonically or by other means permitted by law or the Company’s bylaws, at such times and places as the Committee determines. The Committee periodically meets separately in executive session with the senior internal audit executive, the independent auditors and members of management at the discretion of the Chairperson of the Committee. The Chairperson will designate a person who need not be a member thereof to act as Secretary, and minutes of the Committee’s meeting will be kept in a minute book for that purpose. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

A quorum of the Committee will consist of at least 50% of the members of the Committee. A majority vote of the Committee members is required to take action. Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if all members of the Committee consent to such action in writing or by electronic transmission (including e-mail), and such writings or electronic transmissions are filed with the minutes or proceedings of the Committee.

Duties and Responsibilities

Among its specific duties and responsibilities, the Committee performs the following, to the extent it deems necessary and appropriate, consistent with and subject to applicable laws, as well as rules and regulations promulgated by the SEC, NYSE or other regulatory authorities:

Financial Statements and Financial Reporting Process

1. *Annual and Quarterly Financial Reporting:* The Committee reviews and discusses with management and the independent auditors the annual audited and quarterly unaudited financial statements and related disclosures included in the Company's quarterly earnings releases, the Company's earnings guidance provided to analysts and ratings agencies and the Company's periodic reports on Form 10-K and 10-Q (including the "Management's Discussion and Analysis" section and officer certifications). The Chairperson may represent the entire Committee for the earnings releases, earnings guidance and quarterly reviews.
2. *Recommendation Regarding Audited Financial Statements:* The Committee recommends to the Board whether the annual audited financial statements should be included in the Company's Form 10-K.
3. *Annual Audit and Communications with Independent Auditors:* The Committee reviews and discusses with the independent auditors the scope and results of the independent auditors' annual audit and quarterly reviews of the Company's financial statements, and any other matters required to be communicated to the Committee by the independent auditors. The Chairperson may represent the entire Committee for the quarterly reviews. Additionally, the Committee may review and discuss with management and the independent auditors (i) the planning, budget and staffing of the audit and (ii) any serious difficulties or disputes with management encountered during the course of the audit including any restrictions on the scope of the independent auditors' work or access to required information.
4. *Disclosure, Accounting and Financial Controls:* The Committee discusses with management, the senior internal audit executive and the independent auditors the adequacy and effectiveness of the Company's disclosure controls and procedures, the adequacy and effectiveness of the Company's internal controls over financial reporting and the Company's risk assessment, risk management policies and overall enterprise risk management. The Committee may also discuss significant financial risks and exposures with such parties and assess management's steps to monitor and control such exposures.
5. *Additional Discussions with Management, the Internal Auditor and the Independent Auditors:* The Committee may also review and discuss the following with management, the independent auditor and the senior internal audit executive:
 - Any significant findings and recommendations made by the independent auditors and/or the senior internal audit executive, together with management's response to them, including (i) all critical accounting policies and practices to be used and (ii) any significant changes, or alternatives considered, in the Company's selection or application of accounting principles.

- All alternative treatments of financial information that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors.
 - The effect of regulatory, legislative and accounting developments, as well as off-balance sheet structures on the Company's financial statements.
 - Any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies or internal controls.
6. *Additional Discussions with Management and the Independent Auditors:* The Committee may also review and discuss with management and the independent auditors (i) the independent auditors' assurance that Section 10A(b) of the Exchange Act (which requires the independent auditors, upon detecting or becoming aware of any illegal act, to assure that the Committee is adequately informed and to provide a report if the independent auditors have reached specified conclusions with respect to such illegal acts) has not been implicated and (ii) any matters required to be discussed by Statement on Auditing Standards No. 16 (Communications with Audit Committees) relating to the conduct of the audit.

Qualifications, Independence and Performance of the Independent Auditors

7. *Appointment, Compensation, Retention and Oversight:* The independent auditors report directly to the Committee, which is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors and any other registered public accounting firm engaged for purposes of performing an audit or preparing or issuing an audit report for the Company. As required by law or regulation, or according to the Committee's discretion, the Committee will evaluate the qualifications, performance and independence of the independent auditors, including considering whether the independent auditors' quality controls are adequate, and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, taking into account the opinions of management and internal auditors. The Committee will present its conclusions with respect to the independent auditors to the Board. The Company will provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors or any other accounting firm.
8. *Review of Independent Auditors' Annual Report:* The Committee also obtains and reviews the independent auditors' annual report addressing (i) the independent auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues and (iii) (to assess the auditors' independence) all relationships between the independent auditors and the Company, or any other relationships that may adversely affect the independence of the independent auditors.
9. *Approval of Audit and Permitted Non-Audit Services:* To the extent required by law or regulation, the Committee reviews and approves in advance all audit and permitted non-audit services to be provided by the independent auditors and establishes related policies and procedures. The Chairperson may represent the Committee in performing such function; provided, that the Committee must ratify any such actions by the Chairperson.
10. *Hiring Former Employees of Independent Auditors:* The Committee establishes policies for the Company's hiring of employees and former employees of the independent auditors.

Performance of the Internal Audit Function

11. *Internal Audits and Reports:* The Committee reviews and discusses with the Company's senior internal audit executive the overall scope and staffing of the Company's internal audits, as well as the appointment and replacement of internal auditing personnel. The Committee reviews all significant internal audit reports and management's responses. The internal audit function may be outsourced outside the Company.
12. *Outsourcing; Senior Internal Audit Executive:* The internal audit function may be outsourced and/or may be represented by a senior internal audit executive. The Committee reviews the appointment of individuals to, and any changes in, the senior internal audit executive position.

Compliance with Legal and Regulatory Requirements.

13. The Committee oversees legal and regulatory matters that may have a material impact on the Company's financial statements and reviews the Company's compliance policies and procedures. To the extent it deems necessary or appropriate, the Committee periodically will also ensure the rotation of the audit partners as required by applicable laws and regulations, and will consider whether it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis in order to assure continuing auditor independence.

Other Duties

14. *Regular Reports to Board:* The Committee reports regularly to the Board with respect to its activities.
15. *Related Party Transactions:* The Committee reviews and approves related-party transactions as required by NYSE and SEC rules.
16. *Complaints:* The Committee establishes and oversees procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters and for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting, auditing matters or other ethical concerns.
17. *Investigations and Retention of Outside Advisors:* The Committee is empowered to investigate any matter brought to its attention and has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to such counsel and other advisors.
18. *Code of Business Conduct:* The Committee will, as required by the Code of Business Conduct (the "**Code**"), receive periodic reports from the General Counsel & Chief Compliance Officer regarding any compliance issues related to the Code.
19. *Annual Performance Review:* The Committee will annually review the Committee's own performance and self-evaluate its own effectiveness, the results of which will be reported to the Board.

General

The Committee may form and delegate authority to subcommittees consisting of one or more Committee members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals will be presented to the full Committee at its next scheduled meeting.

In addition to other funding as provided for in this Charter, the Company will provide for appropriate funding, as determined by the Committee, for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Notwithstanding the responsibilities and powers of the Committee set forth in this Charter, the Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether the Company's financial statements are complete, accurate and in accordance with U.S. Generally Accepted Accounting Principles. Such responsibilities are the duties of management, and to the extent of the independent auditors' audit responsibilities, the independent auditors. Nothing in this Charter will, or will be deemed to, decrease or modify in any manner adverse to any Committee member, such member's right to rely on statements and certifications made by the Company's officers, employees, agents, counsel, experts or independent and internal auditors. In addition, although the Committee oversees the compliance and controls of the Company, it is not the duty of the Committee to actually conduct investigations or to assure compliance with laws and regulations.

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