

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 18, 2018

**SILVERCREST ASSET MANAGEMENT GROUP INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-35733  
(Commission  
File Number)

45-514  
(IRS En  
Identifica

1330 Avenue of the Americas, 38th Floor  
New York, New York  
(Address of principal executive offices)

10019  
(Zip Code)

Registrant's telephone number, including area code: (212) 649-0600

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into a Material Definitive Agreement**

On September 18, 2018, Silvercrest Asset Management Group LLC (“SAMG”), a subsidiary of Silvercrest L.P., entered into an employment agreement (the “Employment Agreement”) with Richard R. Hough III, pursuant to which Mr. Hough will continue to serve as the Chief Executive Officer of Silvercrest Asset Management Group Inc. (the “Company” or “Silvercrest”). See Item 5.02 below for a further description of the Employment Agreement.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On September 18, 2018, SAMG entered into the Employment Agreement with Richard R. Hough III pursuant to which Mr. Hough will continue to serve as the Chief Executive Officer of the Company reporting directly to the board of directors of the Company. Mr. Hough will continue to have the customary duties, responsibilities and authorities of a chief executive officer. Mr. Hough’s employment is at will and can be terminated by the Company at any time for any reason.

The Employment Agreement has an initial term of three years and after such term, will automatically renew for successive periods of one year, unless terminated by either party with 180 days’ written notice prior to the end of the initial term or any renewal term. During the term of the Employment Agreement, Mr. Hough will receive an annualized base salary of \$700,000, payable semi-monthly, subject to the review at least annually by the Company’s board of directors or the compensation committee thereof. Based upon such review, Mr. Hough’s salary may be increased, but not decreased, unless by mutual consent or pursuant to a decrease affecting all senior executives of the Company equally. Mr. Hough will also receive an annual cash bonus in an amount determined by the compensation committee in a manner consistent with the Company’s current practice. Pursuant to the terms of the Employment Agreement, within ten business days of September 18, 2018, Mr. Hough will receive an option grant under the Company’s 2012 Equity Incentive Plan (the “Equity Plan”) with a grant date fair market value of \$500,000, vesting in annual increments over three years. Commencing in 2019, Mr. Hough will receive an annual grant under the Equity Plan in such form and amount as determined by the compensation committee.

In the event that Mr. Hough’s employment terminates without Cause (as defined in the Employment Agreement) or is terminated by Mr. Hough for “Good Reason” (as defined in the Employment Agreement) then, pursuant to the Employment Agreement, Mr. Hough will be entitled to certain amounts and benefits (subject to execution of a release of claims), including:

- Earned but unpaid base salary as of the date of termination, any earned but unpaid bonuses for prior years (other than in the case of a termination for Cause) and benefits under Silvercrest’s employee benefit plans (“Accrued Obligations”);
- Payment of a cash amount equal to two times the sum of the annual base salary, as in effect at termination, plus the average of the annual bonuses paid to Mr. Hough for the three fiscal years immediately prior to the year of termination (the “Average Bonus”) paid over 24 months following the termination date (with the potential for acceleration in the event of a termination of employment 180 days prior to or two years following a Change in Control (as defined in the Employment Agreement));

- Payment, for the year of termination, of an amount (prorated in the case of any partial year) equal to the higher of the annual bonus Mr. Hough would have received for the year and the Average Bonus;
- Full vesting of time-based equity awards; and
- Vesting of performance-based awards based on actual performance.

In the event of termination of employment due to his Disability (as defined in the Employment Agreement) or death, pursuant to the Employment Agreement, Mr. Hough will be entitled to:

- Accrued Obligations;
- An Average Bonus;
- Full vesting of all time-based equity awards; and
- Vesting of performance-based awards based on actual performance.

The Employment Agreement contains certain confidentiality requirements preventing Mr. Hough from disclosing or using confidential information and during his employment and for a two year period thereafter Mr. Hough is precluded from soliciting Silvercrest clients, vendors, suppliers, lenders, employees, consultants or agents.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement and Form of Option Agreement, which are filed herewith as Exhibit 10.1 and Exhibit 10.2, respectively, and are incorporated into this current report on Form 8-K by reference.

**Item 9.01. Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Employment Agreement with Richard R. Hough, III dated September 18, 2018.</u></a>
10.2	<a href="#"><u>Form of Option Agreement.</u></a>

**SIGNATURE**

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

Dated: September 24, 2018

Silvercrest Asset Management Group Inc.

By: /s/ Scott A. Gerard

Name: Scott A. Gerard

Title: Chief Financial Officer

September 18, 2018

Mr. Richard R. Hough, III  
327 Branch Avenue  
Little Silver, NJ 07739

Dear Rick:

Silvercrest Asset Management Group LLC (“**Silvercrest**”) desires to continue to employ you and you desire to continue to be employed by Silvercrest under the terms and conditions set forth in this letter (the “**Agreement**”).

1. Effective Date. This Agreement shall be effective September 18, 2018 (the “**Effective Date**”). On the Effective Date, this Agreement shall supersede any and all other employment agreements, arrangements, or understandings, written or oral, you may have regarding your employment with Silvercrest, other than the Silvercrest Asset Management Group Inc. Tax Receivable Agreement dated as of June 26, 2013 (the “**Silvercrest TRA**”) and the Second Amended and Restated Limited Partnership Agreement executed as of November 13, 2012 (the “**Silvercrest LPA**”). Unless expressly provided otherwise, all terms shall have the meanings given in the Silvercrest LPA.

2. Term of Employment. This Agreement shall commence on the Effective Date and shall expire on 5:00 p.m. E.S.T. on September 13, 2021 (the “**Initial Term**”), unless terminated earlier pursuant to the provisions of Section 5 hereof. The term of employment shall be renewed automatically for successive periods of one (1) year each (a “**Renewal Term**”) after the expiration of the Initial Term, unless Silvercrest provides you, or you provide Silvercrest, with written notice to the contrary at least one hundred eighty (180) calendar days prior to the end of the Initial Term or any Renewal Term. The Initial Term and any Renewal Terms are collectively referred to herein as the “**Term**.” You shall be an employee “at will” whose employment can be terminated at any time subject to this Agreement. If either Silvercrest or you elect not to renew the Term of this Agreement in accordance with this Section 2 and you thereafter continue in employment with Silvercrest or its affiliates, you shall continue to be employed on an at-will basis and the terms of such employment and any subsequent termination of employment shall be subject solely to Silvercrest’s general employment practices and policies. In the event of a “**Change of Control**” (as such term is defined in the Silvercrest TRA) during the Term, the Term automatically will be extended until the later of (i) the second anniversary of the Change of Control, or (ii) the scheduled expiration of the then-current Term.

3. Position and Duties. You shall have the title of Chief Executive Officer (“**CEO**”), reporting directly to the Board of Directors of Silvercrest Asset Management Group Inc. (the

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“**Board**”), with the customary duties, responsibilities and authority of a CEO. As a Silvercrest employee, you shall devote substantially all of your working time and attention and use your reasonable best efforts to faithfully and diligently perform your duties under this Agreement and shall at all times abide by Silvercrest’s Employee Guidelines and Code of Conduct and Ethics, copies of which have been delivered to you, as the same may be amended in writing delivered to you from time to time, provided that in the event of any direct conflict between such policies and the unambiguous terms of this Agreement, the terms of this Agreement shall govern and control. Each year during the Term, the Board will nominate you for re-election as a member of the Board; provided that, the foregoing shall not be required to the extent prohibited by legal or regulatory requirements. You will be located at Silvercrest’s principal headquarters, currently in New York City, subject to normal travel requirements.

Notwithstanding the foregoing, you may devote reasonable time to activities such as supervision of personal investments and activities involving professional, charitable, civic, educational, religious, and similar types of activities, and may serve on the board of directors (or comparable governing body), including any board committees, of no more than two for-profit businesses that do not compete with Silvercrest, provided such activities do not interfere in any material way with the business of Silvercrest or violate Silvercrest’s policies.

#### 4. Compensation.

(a) Annual Base Salary. You will receive an annualized base salary of \$700,000, to be paid semi-monthly (the “**Base Salary**”). Your Base Salary shall be reviewed at least annually by the Board or the Compensation Committee thereof (the “**Compensation Committee**”). Based upon such reviews, your Base Salary may be increased, but shall not be decreased, unless by mutual consent or pursuant to an across-the-board decrease affecting all senior executives of the Company equally. The term “**Base Salary**” will refer to the Base Salary as so increased or decreased from time to time.

(b) Annual Bonus. During the Term, you will be entitled to an annual cash bonus in an amount determined by the Compensation Committee in a manner consistent with Silvercrest’s current practice.

(c) Equity and LTIP Grants. Within ten (10) business days of the date you execute this Agreement, you will receive an equity award under the Silvercrest Asset Management Group Inc. 2012 Equity Incentive Plan (the “**Equity Plan**”) with a grant date fair market value of \$500,000, vesting in annual increments over three years. Thereafter, during the Term, commencing with 2019, you will receive an annual grant under the Equity Plan (or any similar or successor plans established or maintained by Silvercrest), determined by the Compensation Committee, in such form as the Committee determines, provided that, it is acknowledged that the Compensation Committee shall have full discretion to determine the amount of equity grants, if any, and that the failure by the Compensation Committee to make a grant of any specific value in any year shall not be considered Good Reason for purposes of Section 5(d).

(d) Benefits. You will be entitled to participate in all benefit and perquisite plans provided to senior executive officers of Silvercrest, subject to and on a basis consistent with the terms, conditions, and overall administration of such plans, programs, and arrangements (collectively, the “**Benefits**”). Silvercrest will pay your reasonable legal and compensation

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consulting fees for the preparation, review, and negotiation of this Agreement, not to exceed \$15,000 in total.

#### 5. Termination of Employment.

(a) Termination by Silvercrest or by You. Silvercrest may terminate your employment during the Term: (i) without Cause (as defined in the Silvercrest LPA) by giving you sixty (60) calendar days' prior written notice, or (ii) for Cause by giving you written notice setting forth the grounds for the Cause termination. You may terminate your employment during the Term by giving Silvercrest sixty (60) calendar days' prior written notice; provided that, if you purport to terminate your employment during the Term for Good Reason (as defined below), you must give Silvercrest written notice of your intent to terminate for Good Reason within ninety (90) calendar days of the initial occurrence of the event or condition that allegedly constitutes Good Reason. In the event of termination by notice under the preceding sentence of this Section 5(a), Silvercrest in its discretion may elect a Termination Date (as defined below) that is earlier than the conclusion of the sixty (60) calendar day notice period, but the termination shall still be deemed a voluntary termination by you with Good Reason under this Section. Silvercrest shall have a right to cure the event alleged to constitute Good Reason for a period of thirty (30) calendar days after notice from you of your intention to terminate for Good Reason. If Silvercrest fails to cure the event or condition that constitutes Good Reason, your actual termination of employment must be within thirty (30) calendar days after the expiration of such thirty (30) day cure period. For purposes of this Agreement, "**Good Reason**" means the occurrence of any of the following events without your written consent: (i) a material diminution in your base compensation, except as provided in Section 4(a); (ii) a material diminution in your authority, duties, or responsibilities; (iii) a requirement that you report to a corporate officer or employee instead of reporting directly to the Board; (iv) a material diminution in the budget over which you retain authority; (v) a material change in the geographic location at which you must perform the services; and (vi) any other action or inaction that constitutes a material breach by Silvercrest of this Agreement.

(b) Termination of Employment for Any Reason. In the event of your termination of employment for any reason, Silvercrest shall pay or provide to you (i) your Base Salary through the Termination Date, (ii) reimbursement of all previously incurred business expenses, properly submitted, according to Silvercrest's expense reimbursement policy, (iii) benefits payable under Silvercrest's employee benefit plans, not including any severance plans, and (iv) except in cases of termination for Cause, payment of earned but unpaid bonus for any completed fiscal year, which shall be payable at the time payment is made to other similarly situated executives of Silvercrest, but in no event later than two and a half (2½) months after the close of the calendar year of your Termination Date (the "**Accrued Amounts**").

(c) Automatic Termination. Notwithstanding the provisions of Section 2, your employment shall automatically terminate upon your death or Disability (as defined in the Silvercrest LPA). Subject to Section 6, if your employment is terminated during the Term by reason of your death or Disability, you or your estate, as the case may be, shall be entitled to the following: (i) payments of the Accrued Amounts, as soon as reasonably practicable following the date your employment with Silvercrest and its affiliates terminates (the "**Termination Date**"); (ii) payment of an amount equal to the average of the annual bonuses paid to you for the three fiscal years immediately preceding the year of your Termination Date (the "**Average Bonus**"), which shall be payable on the date on which you (or your beneficiary, in the event of your death) deliver

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to Silvercrest an executed and enforceable release as described in Section 6 and the period for revocation of such release expires, (iii) full vesting of all time-based equity awards, and (iv) vesting of performance-based awards immediately upon termination based on actual performance.

(d) Termination Without Cause by Silvercrest or by You for Good Reason. Subject to Sections 6, 7, and 23, if during the Term, Silvercrest terminates your employment without Cause or you terminate your employment for Good Reason, you shall be entitled to the following payments and benefits:

(i) The Accrued Amounts, payable as soon as reasonably practicable following the Termination Date.

(ii) A pro rata portion of the amount of annual bonus, if any, you would have received under Section 4(b) for the year in which your employment terminated, as determined by the Compensation Committee, but not less than the Average Bonus, which shall be payable on the date on which you deliver to Silvercrest an executed and enforceable release as described in Section 6 and the date for revocation of such release expires, but in no event later than two and a half (2½) months after the close of the calendar year of your Termination Date.

(iii) A cash amount equal to two times the sum of (A) your Base Salary and (B) the Average Bonus, paid in substantially equal installments over twenty-four (24) months following your Termination Date; provided that, if Silvercrest or its successor terminates your employment without Cause or you terminate your employment for Good Reason, within one hundred eighty (180) calendar days prior to or two years after a Change of Control, the amount set forth in this Section 5(d)(iii) (or the remainder of such amount if installment payments have commenced) shall be paid to you in a single lump sum within ten (10) business days after the Change of Control, or, if later, the date on which you deliver to Silvercrest an executed and enforceable release as described in Section 6 and the date for revocation of such release expires, provided, that if the Change of Control does not constitute a “change in control event” as defined in Treasury Regulation § 1.409A-3(i)(5) (or any similar or successor provisions), only the portion of such amount that does not constitute deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) shall be paid in a lump sum and the remainder shall be paid in installments in the same manner as if a Change of Control had not occurred.

(iv) Cash reimbursement of the Silvercrest portion of your COBRA premiums (or an amount equal to the Silvercrest portion of your COBRA premiums) (sufficient to cover full family health care) for a period of eighteen (18) months following the termination of your employment if you elect such COBRA coverage; provided, however, that any payments or reimbursements for such COBRA premiums that are subject to Section 409A of the Code of 1986 will be made in accordance with Treasury Regulation § 1.409A-3(i)(1)(iv) (or any similar or successor provisions). Notwithstanding the foregoing, Silvercrest’s obligation to reimburse described in the preceding sentence shall cease on the date you become eligible for coverage under another group health plan offered by a new employer or covered under a group health plan of the employer of your spouse. Nothing herein shall be construed to extend the period of time over which COBRA

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continuation coverage shall be provided to you or your dependents beyond that mandated by law.

- (v) Cash reimbursement for the cost of six (6) months of senior executive level outplacement services using a provider selected by you, up to an aggregate cost of \$50,000.
- (vi) Full vesting of all time-based equity awards as of your Termination Date.
- (vii) Vesting of performance-based awards upon your Termination Date, based on actual performance.

Silvercrest's obligations under this Section 5 are subject to your compliance with Sections 6 and 7 of this Agreement.

(e)Expiration and Non-Renewal. Subject to Sections 6 and 7, if the Term of this Agreement expires due to Silvercrest electing not to renew the Term in accordance with Section 2, and Silvercrest does not offer you continued employment in the same or a substantially similar position as, or in a higher position than, your position on the date of the expiration of the Term, and at a compensation level that is the same or substantially similar to that in effect on the date of the expiration of the Term, you shall be entitled to resign from employment with Silvercrest as of the end of the Term by written notice given not later than the end of the Term, and such resignation shall be treated as a resignation for Good Reason under Section 5(d). If you elect not to resign at or before the end of the Term, and instead continue employment with Silvercrest after the end of the Term, and if, after the end of the Term, Silvercrest terminates your employment without Cause or you terminate your employment for Good Reason, you shall be entitled to a cash amount equal to the sum of your Base Salary and the Average Bonus, paid in substantially equal installments over twelve (12) months following your Termination Date, and subject to compliance with the terms and restrictions that would have applied under Sections 6 and 7 for a termination during the Term.

(f)Termination by You Without Good Reason or by Silvercrest for Cause. If, during the Term, you terminate employment without Good Reason or Silvercrest terminates your employment for Cause, you shall be entitled to no further compensation or other benefits under this Agreement except for the Accrued Amounts.

(g)No Further Obligations. You shall not be entitled to severance benefits under any other plan or policy of Silvercrest or its affiliates. Silvercrest shall have no obligations to you after your last day of employment following termination of employment under this Section, except as specifically set forth in this Agreement or under any applicable plans, programs, or arrangements of Silvercrest including, without limitation, the Certificate of Incorporation or By-Laws Silvercrest Asset Management Group Inc., as either may be amended from time to time, and the Equity Plan and any agreements thereunder.

(h)No Mitigation or Offset. In the event of any termination of your employment under this Section 5, you shall be under no obligation to seek other employment or otherwise mitigate your damages, and there shall be no offset against amounts due to you under this Agreement on account of any remuneration or benefit attributable to any subsequent employment obtained by you, except as provided in Section 5(d)(iv).

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6. Release. Any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Amounts shall only be payable if you deliver to Silvercrest an original, signed release of claims relating to your employment by Silvercrest or the termination of such employment occurring up to the release date, in a form substantially the same as Silvercrest uses for senior executive officers (the “**Release**”). Silvercrest shall deliver the Release to you within ten (10) calendar days of your Termination Date and you must deliver to Silvercrest an executed and enforceable Release, and the period for you to revoke the Release must have expired without your having revoked it, no later than sixty (60) calendar days after your Termination Date (the “**Release Deadline**”). Payment of the amounts described in Section 5 shall commence no earlier than the date on which you deliver to Silvercrest and do not revoke an executed and enforceable release as described herein. Payment of any severance or benefits that are not exempt from Code Section 409A shall be delayed until the Release Deadline, irrespective of when you execute the Release; provided, however, that where your Termination Date and the Release Deadline occur within the same calendar year, the payment may be made up to thirty (30) calendar days prior to the Release Deadline, and provided further that where your Termination Date and the Release Deadline occur in two separate calendar years, payment may not be made before the later of January 1 of the second year or the date that is thirty (30) calendar days prior to the Release Deadline. As part of the Release, you shall affirm that you (i) have advised Silvercrest, in writing, of any facts of which you are aware that constitute or might constitute a violation of any ethical, legal, or contractual standards or obligations of Silvercrest or any affiliate, and (ii) are not aware of any existing or threatened claims, charges, or lawsuits that you have not disclosed to Silvercrest. The Release shall not require you to release your claim to payments pursuant to Section 5, your right to indemnification and continued liability insurance coverage as described in Section 10, or your rights as a shareholder of Silvercrest Asset Management Group Inc. or as a limited partner of Silvercrest L.P., and shall not impose any restrictive covenants upon your activities after termination in excess of those set forth in this Agreement.

7. Non-Solicitation, Confidentiality. You acknowledge and agree that (i) Silvercrest’s present and future business relationships with its clients, employees, vendors, suppliers, and lenders are and will continue to be of a type which normally continue unless interfered with by others, (ii) any statements or actions taken by you to induce any client, employee, vendor, supplier, or lender to terminate, reduce, or not renew any business arrangement with Silvercrest (unless Silvercrest determines that the termination, reduction, or non-renewal is in the best interest of Silvercrest) or to enter into any business arrangement within Silvercrest’s line business with any Person (as defined on the Silvercrest TRA) other than Silvercrest would cause irreparable harm to Silvercrest; (iii) the services you are to render to Silvercrest are of a special character, with a value to Silvercrest the loss of which cannot adequately be compensated by damages or an action at law; (iv) if you were to become an employee, adviser, or equity owner of a competing organization, your new obligations and the products, services, and technology of the competing organization would be so similar or related to those contemplated by this Agreement that it would be very difficult for you not to rely on or use Silvercrest’s Confidential Information. For purposes of this Section 7, any reference to Silvercrest shall be deemed to include all affiliates of Silvercrest.

(a) Non-Solicitation. Based on the foregoing, during your employment with Silvercrest and for twenty-four (24) months after your Termination Date, you will not, individually or through an agent, or on behalf of another, as an employee, director, owner, partner, member,

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sole proprietor, consultant, agent, representative, shareholder, or in any other manner or capacity whatsoever:

(i) contact, directly or indirectly, any client of Silvercrest for the purpose of soliciting or inducing such client to terminate, reduce, or not renew its relationship with Silvercrest;

(ii) accept any business involving or relating to the business of Silvercrest from any client of Silvercrest, or enter into a business relationship involving or relating to the business of Silvercrest with any such client (unless approved by the Board in writing);

(iii) make any statement or take any action that may interfere with Silvercrest's business relationship with any client, vendor, supplier, or lender;

(iv) induce or solicit or attempt to induce or solicit any vendor, supplier, or lender of Silvercrest to terminate, reduce, or not renew its relationship with Silvercrest; or

(v) solicit or induce any individual then employed by Silvercrest to terminate such employment, or hire or attempt to hire any individual who is, or was, within one year prior to your Termination Date, employed, by or associated with Silvercrest as an employee, independent contractor, or agent.

(b) Confidentiality. You agree that during your employment with Silvercrest and thereafter without limitation of time, you will keep confidential and will not disclose or divulge to any third party, or use for any purpose other than your performance of duties pursuant to this Agreement, any client data or information, or any other confidential, proprietary, or secret information of Silvercrest or its clients, including without limitation information concerning business plans, financial statements, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, client lists, or other business documents that Silvercrest treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "**Confidential Information**"), which you have access to and become acquainted with at Silvercrest in your capacity as an employee or otherwise. You acknowledge and agree that: (i) Silvercrest has invested, and continues to invest, substantial time, expense, and specialized knowledge in developing the Confidential Information; (ii) the Confidential Information provides Silvercrest with a competitive advantage over others in the marketplace; and (iii) Silvercrest would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. The following will not constitute Confidential Information for purposes of this Agreement: (x) information that is already in the public domain or later becomes publicly available through no fault of you; or (y) information that is, in your good faith judgment, requested or required to be disclosed pursuant to any order, law, rule, or regulation applicable to you (provided that you shall provide the Board with reasonable prior notice of such potential disclosure so as to allow Silvercrest the opportunity to obtain a protective order), or is necessary to defend against or assert a claim in connection with this Agreement.

(c) Nondisparagement. During the Term and at all times thereafter, regardless of the reason for termination, you agree not to make, repeat, authorize, or permit any person under your control to make, directly or indirectly, any public statements (whether oral or written), comments, remarks, or publications of any type or of any nature, to anyone, including but not limited to the

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news media, investors, potential investors, industry analysts, competitors, strategic partners, vendors, employees (past and present), and customers, which would defame or disparage the business reputation, practices, or conduct of Silvercrest or its affiliates (including its products, services or its business decisions), or their employees, directors or officers, or any of them, at any time now or in the future. During the Term and at all times thereafter, regardless of the reason for termination, Silvercrest agrees that the members of the Board and senior executive officers will not, directly or indirectly, make, repeat, authorize or permit any person under its, his or her control to make any public statements (whether oral or written), comments, remarks, or publications of any type or of any nature to anyone, including but not limited to the news media, industry analysts, competitors, strategic partners, vendors, employees (past and present), and customers, which would defame or disparage your reputation at any time now or in the future. Nothing set forth in this Section 7(c) shall be interpreted to prohibit you, Silvercrest or its affiliates, or the directors, partners, officers and employees of Silvercrest or its affiliates from making truthful statements (i) when required by law, subpoena or court order and/or from responding to any inquiry by any regulatory or investigatory organization, or (ii) in direct rebuttal to a statement made in violation of this Section 7(c).

(d) Nothing in this agreement shall be construed to prohibit you from reporting violations of federal or state law or regulations to any governmental agency or self-regulatory organization, including the Securities and Exchange Commission, or making other disclosures that are protected under whistleblower or other provisions of any applicable federal or state law or regulations. Prior authorization of Silvercrest is not required to make any such reports or disclosures, and you are not required to notify Silvercrest that you have made such reports or disclosures.

**8. Change of Control; No Gross-Up.** If a Change of Control occurs and payments are made under this Agreement, and a final determination is made by legislation, regulation, or ruling directed to you or Silvercrest, by court decision, or by independent tax counsel, that the aggregate amount of any payments made to you under this Agreement and any other agreement, plan, program, or policy of Silvercrest in connection with, on account of, or as a result of, such Change of Control (the “**Total Payments**”) will be subject to an excise tax under the provisions of Code Section 4999, or any successor section thereof (“**Excise Tax**”), the Total Payments shall be reduced (beginning with those that are exempt from Code Section 409A) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent that the after-tax value of amounts received by you after application of the above reduction would exceed the after-tax value of the Total Payments received by you without application of such reduction. For this purpose, the after-tax value of an amount shall be determined taking into account all federal, state, and local income, employment, and excise taxes applicable to such amount. In making any determination as to whether the Total Payments would be subject to an Excise Tax, consideration shall be given to whether any portion of the Total Payments could reasonably be considered, based on the relevant facts and circumstances, to be reasonable compensation for services rendered (whether before or after the consummation of the applicable Change of Control). To the extent Total Payments must be reduced pursuant to this Section, the Total Payments will be reduced in the following order: (i) first, all cash payments, in the inverse order of payment; (ii) second, all performance-vested equity

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awards, the vesting of which was accelerated by the Change of Control; (iii) all time-vested equity awards, the vesting of which was accelerated by the Change of Control; and (iv) all other benefits.

(a) In the event that upon any audit by the Internal Revenue Service, or by a state or local taxing authority, of the Total Payments, a change is determined to be required in the amount of taxes paid by, or Total Payments made to, you, appropriate adjustments will be made under this Agreement such that the net amount that is payable to you after taking into account the provisions of Code Section 4999 will reflect the intent of the parties as expressed in Section 5(d) of this Agreement. You shall notify Silvercrest in writing of any claim by the Internal Revenue Service that, if successful, would require payment of an Excise Tax or an additional Excise Tax on the Total Payments (a “**Claim**”). Such notification shall be given as soon as practicable but no later than thirty (30) calendar days after you are informed in writing of such Claim and you shall apprise Silvercrest of the nature of such Claim and the date on which such Claim is requested to be paid. You shall not pay such Claim prior to the expiration of the thirty (30) calendar day period following the date on which you give such notice to Silvercrest (or such shorter period ending on the date that any payment of taxes with respect to such Claim is due). If Silvercrest notifies you in writing prior to the expiration of such period that it desires to contest such Claim, you shall: (i) give Silvercrest any information reasonably requested by Silvercrest relating to such Claim, (ii) take such action in connection with contesting such Claim as Silvercrest shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such Claim by an attorney reasonably selected by Silvercrest, (iii) cooperate with Silvercrest in good faith in order to contest effectively such Claim, and (iv) permit Silvercrest to participate in any proceedings relating to such Claim; provided, however, that Silvercrest shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless for any Excise Tax, additional Excise Tax, or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(a), Silvercrest, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings, and conferences with the taxing authority in respect of such Claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the Claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one (1) or more appellate courts, as Silvercrest shall determine, provided, however, that if Silvercrest directs you to pay such Claim and sue for a refund, Silvercrest shall advance the amount of such payment to you on an interest-free basis or, if such an advance is not permissible thereunder, pay the amount of such payment to you as additional compensation, and shall indemnify and hold you harmless from any Excise Tax, additional Excise Tax, or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or additional compensation. Silvercrest shall reimburse any fees and expenses provided for under this Section 8(a) on or before the last day of your taxable year following the taxable year in which the fee or expense was incurred, and in accordance with the other requirements of Code Section 409A and Treasury Regulation § 1.409A-3(i)(1)(v) (or any similar or successor provisions). If Silvercrest either elects not to contest the Claim, or is unsuccessful in contesting the Claim, Silvercrest shall indemnify and hold you harmless from any Excise Tax, additional Excise Tax, or income tax (including interest or penalties with respect thereto) imposed with respect to such Claim.

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(b)If, after the receipt by you of an amount advanced or paid by Silvercrest pursuant to Section 8(a) above, you become entitled to receive any refund with respect to such Claim, you shall (subject to Silvercrest's complying with the requirements of Section 8(a)) promptly pay to Silvercrest the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by you of an amount advanced by Silvercrest pursuant to Section 8(a), a determination is made that you shall not be entitled to any refund with respect to such Claim and Silvercrest does not notify you in writing of its intent to contest such denial of refund prior to the expiration of sixty (60) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid.

9.Compensation Recovery Policy. Notwithstanding any provision in this Agreement to the contrary, payments under this Agreement will be subject to any Compensation Recovery Policy established by Silvercrest and amended from time to time, provided that such Compensation Recovery Policy is either adopted by Silvercrest in compliance with any applicable law or regulations, or is applicable to all senior executives of Silvercrest.

10.Indemnification and Insurance. During the Term and at all times thereafter, regardless of the reason for termination, Silvercrest shall indemnify, protect, defend and save you harmless from and against any threatened, pending, contemplated or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which you are made a party by reason of the fact that you are or were an officer, employee or agent of Silvercrest, or any judgment, amount paid in settlement (with the consent of Silvercrest), fine, loss, expense, cost, damage and reasonable attorneys' fees incurred by reason of the fact that you are or were an officer, employee or agent of Silvercrest; provided, however, that you acted in good faith and in a manner you reasonably believed to be in the best interests of Silvercrest, and with respect to any criminal action or proceeding, had no reasonable cause to believe your conduct was unlawful. You also shall be indemnified under the governing instruments of Silvercrest and its affiliates, including the Articles of Incorporation and By-Laws of Silvercrest Asset Management Group Inc., and covered by directors' and officers' liability insurance policies that are the same as or equivalent to those Silvercrest currently carries for its current directors and active senior executive officers.

11.Modification and Waiver of Breach. No waiver or modification of this Agreement shall be binding unless it is in writing, signed by the parties hereto. No waiver of a breach hereof shall be deemed to constitute a waiver of a further breach, whether of a similar or dissimilar nature.

12.Assignment. This Agreement is personal in nature and shall be binding upon and inure to the benefit of any successor of Silvercrest and any such successor shall thereafter be deemed substituted for Silvercrest under the terms of this Agreement for all subsequent purposes, but this Agreement shall not otherwise be assignable by either party. As used herein, "successor" shall include any person, firm, corporation, or other business entity which at any time, whether by merger, liquidation, purchase, or otherwise, acquires substantially all of the business of Silvercrest, provided that such successor either expressly assumes, or by operation of law is bound by, all of the terms of this Agreement.

13.Notice. Any notice, request, demand, or other communication required or permitted to be given hereunder shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, or by a facsimile or electronic communication followed by a confirmation letter sent by registered or certified mail, return receipt requested, addressed as follows:

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To Silvercrest: Silvercrest Asset Management Group LLC  
1330 Avenue of the Americas, 38<sup>th</sup> Floor  
New York, NY 10019  
Attention: Office of the General Counsel  
Tel: 212-649-0623  
Fax: 212-649-0625

To you: Richard R. Hough III  
327 Branch Avenue  
Little Silver, NJ 07739

(or by hand if you are still on Silvercrest premises).

Silvercrest or you may, at any time, by notice to the other parties, designate another address for service of notice on such party. When the letter, facsimile, or electronic communication is dispatched as provided for above, the notice shall be deemed to be made when the addressee receives the letter, facsimile, or electronic communication, or within three (3) business days after it is sent, whichever is earlier.

14. Partial Invalidity. If any provision of this Agreement is held invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall thereupon be deemed (i) modified only to the extent necessary to render it valid, or (ii) not applicable to given circumstances, or (iii) excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein, as the case may be.

15. Construction of Agreement. This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and thereof, superseding all negotiations, prior discussions, and preliminary agreements, written or oral, except that all terms and provisions of this Agreement are subject to the terms and provisions of the Silvercrest LPA, the Silvercrest TRA, the Exchange Agreement dated June 26, 2013, and the Resale and Registration Rights Agreement dated June 26, 2013. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. All references in this Agreement to the foregoing agreements shall refer to the terms of such agreements as in effect on the date of this Agreement, and shall not include any amendments to any of such agreements that are materially adverse to you unless consented to by you in writing.

16. Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

17. Governing Law. THIS AGREEMENT AND ALL ISSUES RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE, REMEDIATION, AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF DELAWARE, NOTWITHSTANDING ANY CHOICE-OF-LAWS DOCTRINES OF SUCH JURISDICTION OR ANY OTHER JURISDICTION WHICH ORDINARILY WOULD CAUSE THE SUBSTANTIVE LAW OF

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ANOTHER JURISDICTION TO APPLY, WITHOUT THE AID OF ANY CANON, CUSTOM , OR RULE OF LAW REQUIRING CONSTRUCTION AGAINST THE DRAFTSMAN.

18.Dispute Resolution. If a dispute arises between us in connection with this Agreement or a disagreement regarding the interpretation of any provision hereof or any document or instrument delivered in connection herewith (a “**Dispute**”), we shall use the procedure set forth herein in good faith prior to pursuing other available judicial or non-judicial remedies. A meeting shall be held between us within five business days after written notice of a Dispute from one of us to the other. The meeting shall be attended by a representative of each party having decision making authority regarding the Dispute to attempt in good faith to negotiate a resolution of the Dispute. If no such resolution is negotiated, the matter shall be resolved by arbitration in New York City before a single arbitrator under JAMS/Endispute’s Comprehensive Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration. Notwithstanding the foregoing, the arbitrator shall, to the extent necessary, modify the applicable arbitration rules and procedures to provide for fair and adequate discovery to be permitted by the parties to the Dispute under the circumstances. Such award shall be final and binding upon the parties and may be entered in any court of competent jurisdiction. If at any time JAMS/Endispute or the applicable arbitration rules and procedures shall cease to exist, we shall negotiate in good faith to provide for appropriate substitutes and make any necessary modifications to this Section 18. The parties hereby waive their respective rights to trial by jury. Notwithstanding the foregoing, this Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Silvercrest and you agree to keep the outcome of, and all documents, meetings, and proceedings related to such arbitration or resolution strictly confidential, except to the extent required by law, subpoena or court order and/or from responding to any inquiry by any regulatory or investigatory organization.

19.Injunctive Relief. You hereby acknowledge that Silvercrest would suffer irreparable injury if the provisions of Section 6 hereof, which shall survive the termination of your employment, were breached and that Silvercrest’s remedies at law or in Dispute resolution would be inadequate in the event of such breach. Accordingly, you hereby agree that any such breach or threatened breach may, in addition to any and all other available remedies, be preliminarily enjoined in any court of competent jurisdiction by Silvercrest without having to prove the inadequacy of the available remedies at law.

20.Costs. Silvercrest will be responsible for expenses it incurs and you will be responsible for expenses you incur in connection with any dispute pertaining to the provisions or the enforcement thereof; such expenses shall include, but not be limited to, legal and other professional fees and out-of-pocket disbursements. The expenses of arbitration, including filing fees and the fee and expenses of the arbitrator, shall be divided equally between us. Notwithstanding the foregoing, the arbitrator shall have the authority, in his discretion, to award the prevailing party all or a portion of such party’s expenses, including fees and disbursements of legal counsel.

21.Limited Partnership Agreement. Nothing in this Agreement shall diminish any of your obligations as Limited Partner thereunder.

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22. Acceptance and Representations.

(a) You represent that you have been or have had the opportunity to be represented by counsel of your choice in connection with the negotiation and execution of this Agreement.

(b) You represent and warrant that, to the best of your knowledge, (i) you have not breached and will not, in furtherance of this Agreement, on behalf of Silvercrest or in the course of your employment by Silvercrest, breach any legal, regulatory, contractual, or other obligation to preserve the confidentiality of any information, client lists, trade secrets, or other confidential information, or refrain from competing or interfering with any prior employer's business, and (ii) that neither the execution of this agreement nor the performance by you of your obligations hereunder will conflict with, result in a breach of, or constitute a default under, any obligation to which you are a party or to which you may be subject, except any deferred compensation agreement(s) that may result in a forfeiture of deferred compensation. Further, you agree that in performing your obligations hereunder, except for the Permitted Client Information, you will not use or disclose any prior employer's or any other person or entity's (other than Silvercrest's) confidential information and will rely solely on your generalized knowledge and skill, the resources to be provided to you by Silvercrest, and information that is readily ascertainable by proper means, is generally known to others in the industry, or is otherwise unprotected by law.

23. Code Section 409A. This Agreement is intended to comply with Code Section 409A and the interpretative guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions, and shall be administered accordingly. This Agreement shall be construed and interpreted with such intent. Each payment under Section 5 of this Agreement or any Benefit Plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A and Treasury Regulation § 1.409A-2(b)(2)(iii). Any payment under Section 5 that is subject to Code Section 409A will not be made before the date that is six (6) months after the Termination Date or, if earlier, the date of your death (the "**Six-Month Delay Rule**") if you are a Specified Employee (as defined below) as of your termination of employment. Payments to which you otherwise would be entitled during the first six months following your termination of employment (the "**Six-Month Delay**") will be accumulated and paid on the first day of the seventh month following your termination of employment. Notwithstanding the Six-Month Delay Rule, to the maximum extent permitted under Code Section 409A and Treasury Regulation § 1.409A-1(b)(9)(iii) (or any similar or successor provisions), during the Six-Month Delay and as soon as practicable after satisfaction of Section 13 of this Agreement, Silvercrest will pay you an amount equal to the lesser of (A) the total severance scheduled to be provided under Section 5 above, or (B) two times the lesser of (1) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which Your termination of employment occurs, and (2) the sum of your annualized compensation based upon the annual rate of pay for services provided to Silvercrest for the taxable year of preceding the taxable year in which your termination of employment occurs; provided that amounts paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to you by Silvercrest under Section 10 above. For purposes of this Agreement, the term "**Specified Employee**" has the meaning given to that term in Code Section 409A and Treasury Regulation § 1.409A-1(i) (or other similar or successor provisions). Silvercrest's "specified employee identification date" (as described in Treasury Regulation § 1.409A-1(i)(3) or any similar or successor provisions) will be December 31 of each year, and

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Silvercrest's "specified employee effective date" (as described in Treasury Regulation § 1.409A-1(i)(4) or any similar or successor provisions) will be April 1 of each succeeding year. For purposes of this Agreement, your employment with Silvercrest and its affiliates shall be deemed to be terminated when you have a "separation from service" within the meaning of Code Section 409A, and references in this Agreement to Termination Date shall be deemed to refer to such a separation from service.

24. Survival. Sections 5(e), 6, 7, 8, 9, 10, 17, 18, 19, and 23 of this Agreement shall survive the expiration or termination of this Agreement.

If the foregoing correctly sets forth our agreement with respect to the matters herein contained, kindly execute a copy of your letter agreement and return it to the undersigned whereupon it shall be a binding agreement among us.

**SILVERCREST ASSET MANAGEMENT GROUP LLC**

By: /s/ David J. Campbell

Name: David J. Campbell

Title: General Counsel

Agreed to as of the day and year first above written:

/s/ Richard R. Hough, III

Richard R. Hough, III

Silvercrest Asset Management Group Inc.  
2012 Equity Incentive Plan

Nonqualified Stock Option Agreement

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Participant: Richard R. Hough, III

Grant Date: October 1, 2018

Per Share Exercise Price: \$ \_\_\_\_\_

Number of Shares of Stock subject to this Option: \_\_\_\_\_

Vesting schedule:

This Option may be exercised with respect to the first 33% of the shares subject to this Option on the first anniversary date of the Grant Date, an additional 33% of the shares subject to this Option on the second anniversary of the Grant Date, and all remaining shares subject to this Option on the third anniversary of the Grant Date (in each case, subject to the Participant's continued service with the Company or any of its Subsidiaries through the applicable vesting date).

\* \* \* \* \*

**This Nonqualified Stock Option Award Agreement** (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between Silvercrest Asset Management Group Inc., a Delaware corporation, (the "Company") and the Participant specified above, pursuant to the Silvercrest Asset Management Group Inc. 2012 Incentive Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee; and

**Whereas**, it has been determined that it would be in the best interests of the Company to grant the nonqualified stock option provided for herein to the Participant.

**Now, therefore**, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

**1. Incorporation by Reference; Plan Document Receipt.** This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan or Exhibit A to this Agreement. The Participant

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hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control. No part of the Option granted hereby is intended to qualify as an “incentive stock option” under Section 422 of the Code.

2. **Grant of Option.** The Company hereby grants to the Participant, as of the Grant Date specified above, a nonqualified stock option (this “Option”) to acquire from the Company at the Per Share Exercise Price specified above, the aggregate number of shares of Stock specified above (the “Option Shares”). Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant’s interest in the Company for any reason. The Participant shall have no rights as a stockholder with respect to any shares of Stock covered by this Option unless and until the Participant has become the holder of record of the shares of Stock, and no adjustments shall be made for dividends in cash or other property, distributions, or other rights in respect of any such shares, except as otherwise specifically provided for in the Plan or this Agreement.

3. **Vesting; Forfeiture, Expiration.**

(a) **Vesting.** The Option subject to this grant shall become vested in accordance with the vesting schedule above. All vesting of the Option granted hereunder shall occur only on the appropriate vesting date specified above, subject to the Participant’s continued service with the Company or any of its Affiliates through each applicable vesting date. There shall be no proportionate or partial vesting in the periods before each vesting date.

(b) **Accelerated Vesting Upon Certain Terminations.** Subject to the immediately following sentence, if the Participant incurs a Separation from Service (as defined below) as a result of (i) an involuntary termination by the Company or its Affiliates without Cause, (ii) the Participant’s termination of employment for Good Reason, or (iii) the Participant’s death or Disability, then, in each case, any portion of the Option unvested as of such date shall become fully and immediately vested. The Participant’s Separation from Service described in subclauses (i) and (ii) of the immediately preceding sentence shall result in accelerated vesting conditioned on and subject to the Participant’s compliance with Sections 6 and 7 of that certain letter agreement, dated as of September 18, 2018, by and between the Participant and Silvercrest Asset Management Group LLC (the “Employment Agreement”).

(c) **Forfeiture of Option.** Notwithstanding anything herein to the contrary, (A) upon the Participant’s “separation from service,” as defined in Section 409A of the Code and Treasury Regulation Section 1.409A-1(h) from the Company and its Affiliates (a “Separation from Service”) for any or no reason, 100% of any and all unvested portion of the Option outstanding as of the date of such Separation from Service (other than any unvested portion of the Option that becomes vested as of the date of such Separation from Service in accordance with Section 3(b)) shall be immediately forfeited and cancelled for no consideration, and shall cease to be outstanding, and (B) upon the Participant’s Separation from Service from the Company and its Affiliates for Cause, 100% of the Option (whether vested or unvested)

outstanding as of the date of such Separation from Service shall be immediately forfeited and cancelled for no consideration, and shall cease to be outstanding.

(d) Expiration. The term of the Option shall be until the fifth anniversary of the Grant Date, after which time it shall expire (such fifth anniversary date, the "Expiration Date"), subject to earlier Separation from Service in the event of the Participant's Separation from Service as specified in the Plan and this Agreement. Upon the Expiration Date, the Option (whether vested or not) shall automatically be cancelled for no consideration, shall no longer be exercisable, and shall cease to be outstanding.

#### **4. Detrimental Activity.**

(a) Unless otherwise determined by the Committee, (A) in the event the Participant engages in any Detrimental Activity prior to any exercise of the Option, all Options held by the Participant shall thereupon terminate and expire, (B) as a condition of the exercise of the Option, the Participant shall be required to certify in a manner acceptable to the Company (or shall be deemed to have certified) that the Participant is in compliance with the terms and conditions of the Plan and that the Participant has not engaged in, and does not intend to engage in, any Detrimental Activity, and (C) in the event the Participant engages in Detrimental Activity during the 18-months commencing on the earlier of the date the Option is exercised or the date of the Participant's Separation from Service, the Company shall be entitled to recover from the Participant at any time within 18-months after such date, and the Participant shall pay over to the Company, an amount equal to any gain realized (whether at the time of exercise or thereafter) as a result of the exercise. This Section 4(a) shall cease to apply upon a Change of Control.

(b) The Participant hereby acknowledges and agrees that (i) the Company's present and future business relationships with its Clients, employees, vendors, suppliers and lenders are and will continue to be of a type which normally continue unless interfered with by others, and (ii) any statements or actions taken by the Participant to induce any Client, employee, vendor, supplier or lender to terminate, reduce or not renew any business arrangement with the Company (unless the Company determines that the termination, reduction or non-renewal is in the best interest of the Company) or to enter into any business arrangement within the Company's line of business with any Person other than the Company would cause irreparable harm to the Company. The Participant further acknowledges and agrees that the services such Participant is to render to the Company are of a special character, with a value to the Company the loss of which cannot adequately be compensated by damages or an action at law. Further, the Participant acknowledges and agrees that if he or she were to become an equity owner of a competing organization, such Participant's new obligations and the products, services and technology of the competing organization would be so similar or related to those contemplated by this Agreement that it would be very difficult for such Participant not to rely on or use the Company's confidential information. Accordingly, the Participant acknowledges and agrees that the restrictions herein regarding Detrimental Activity are necessary for the protection of the business and goodwill of the Company and its Affiliates.

(c) The Participant hereby acknowledges and agrees that it is fair and reasonable that he or she make the covenants and undertakings set forth in Section 4 and has done so with the benefit of the advice of counsel. Furthermore, the Participant agrees that any

breach or attempted breach by him or her of the provisions of Section 4 of this Agreement will cause irreparable harm to the Company for which monetary damages will not be an adequate remedy. Accordingly, the Company shall be entitled to apply for and obtain injunctive relief (temporary, preliminary and permanent) in order to restrain the breach or threatened breach of, or otherwise to specifically enforce, any of the provisions of Section 4 without the requirement to post a bond or provide other security. Nothing herein shall be construed as a limitation or waiver of any other rights or remedies that may be available to the Company for such breach or threatened breach. The Participant further agrees that the subject matter and duration of the restrictions set forth herein are reasonable in light of the facts as they exist today.

**5. Termination.** Subject to the terms of the Plan and this Agreement, the Option, to the extent vested at the time of the Participant's Separation from Service, shall remain exercisable as follows:

(a) Termination due to Death or Disability. In the event of the Participant's Separation from Service by reason of death or Disability, the vested portion of this Option shall remain exercisable until the earlier of (i) one year from the date of such Separation from Service, and (ii) the Expiration Date.

(b) Termination Without Cause. In the event of the Participant's involuntary Separation from Service by the Company without Cause, the vested portion of this Option shall remain exercisable until the earlier of (i) ninety days from the date of such Separation from Service, and (ii) the Expiration Date.

(c) Voluntary Termination. In the event of the Participant's voluntary Separation from Service, the vested portion of this Option shall terminate and expire upon such Separation from Service.

(d) Termination for Cause. In the event of the Participant's Separation from Service by the Company for Cause (or in the event of a voluntary Separation from Service by the Participant after the occurrence of an event that would be grounds for a Separation from Service for Cause), the Option granted hereunder (whether or not vested) shall terminate and expire upon such Separation from Service.

(e) Treatment of Unvested Option upon Termination. Any portion of this Option that is not vested as of the date of the Participant's Separation from Service for any reason shall terminate and expire as of the date of such Separation from Service.

**6. Method of Exercise and Payment.** Subject to Sections 4 and 5 hereof, to the extent that the Option has become vested and exercisable with respect to a number of shares of Stock as provided herein, the Option may thereafter be exercised by the Participant with respect to a whole number of Option Shares, in whole or in part, at any time or from time to time before the expiration of the Option as provided herein and in accordance with Section 7.1(e) of the Plan, including, without limitation, by the delivery of any form of exercise notice as may be required by the Committee and payment in full of the Per Share Exercise Price multiplied by the number of shares of Stock underlying the portion of the Option exercised.

7. **Non-transferability.** The Option, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned, or otherwise disposed of in any way by the Participant (or any beneficiary(ies) of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any attempt to sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of or hypothecate in any way the Option, or the levy of any execution, attachment, or similar legal process upon the Option, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

8. **Governing Law.** All questions concerning the construction, validity, and interpretation of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to its principles of conflicts of laws.

9. **Withholding of Tax.** The Company or any Affiliate shall have the power and the right to deduct or withhold, require the Participant to remit to the Company or such Affiliate, or make any other arrangements as it considers appropriate to ensure that it has received an amount sufficient to satisfy any federal, state, local, and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) that the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule, or regulation with respect to the Option and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any shares of Stock otherwise required to be issued pursuant to this Agreement.

10. **Recoupment Policy.** The Participant acknowledges and agrees that this Option (including any shares of Stock issued upon exercise thereof) shall be subject to the terms and provisions of any "clawback" or recoupment policy that may be adopted by the Company or its Affiliates from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder).

11. **Notices.** Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given: (i) when delivered in person; (ii) two days after being sent by United States mail; or (iii) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the address set forth below (or such other address as the party may from time to time specify):

If to the Company, to:

c/o Silvercrest Asset Management Group Inc.  
1330 Avenue of the Americas  
New York, NYC 10019  
Attention: Office of the General Counsel

with a copy (which shall not constitute notice) to:

Proskauer Rose LLP  
Eleven Times Square  
New York, NY 10036-8299  
Attention:

If to the Participant, to the address on file with the Company.

**12. No Right to Employment.** Nothing in this Agreement shall affect the right of the Company or any of its Affiliates to terminate the Participant's employment at any time, with or without Cause, or shall be deemed to create any rights to employment or continued employment. The rights and obligations arising under this Agreement are not intended to and do not affect the Participant's employment relationship that otherwise exists between the Participant and the Company or any of its Affiliates, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Participant and the Company or any of its Affiliates; to the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

**13. Data Protection.** By executing this Agreement, the Participant hereby consents to the holding and processing of personal information provided by the Participant to the Company, any Affiliate thereof, trustee, or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to: (i) administering and maintaining Participant records; (ii) providing information to the Company, its Affiliates, trustees of any employee benefit trust, registrars, brokers, or third-party administrators of the Plan; (iii) providing information to future purchasers or merger partners of the Company or any Affiliate thereof, or the business in which the Participant works; and (iv) transferring information about the Participant to any country or territory that may not provide the same protection for the information as the Participant's home country.

**14. Market Stand-Off.** If requested by the Company, any Affiliate, or a lead underwriter of any public offering of the shares of Stock (a "Lead Underwriter"), the Participant shall irrevocably agree, and by execution of this Agreement shall irrevocably be deemed to have agreed, not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge, or otherwise transfer or dispose of, any interest in any shares of Stock or any securities convertible into, derivative of, or exchangeable or exercisable for shares of Stock, or any other rights to purchase or acquire shares of Stock (except shares of Stock included in such public offering or acquired on the public market after such offering) during such period of time following the effective date of a registration statement of the Company filed under the Securities Act that a Lead Underwriter shall specify (the "Lock-up Period"). The Participant hereby further agrees to sign such documents as may be requested by a Lead Underwriter, the Company, or any Affiliate to effect the foregoing and agree that the Company or an Affiliate may impose stop transfer instructions with respect to shares of Stock acquired pursuant to an Award until the end of such Lock-up Period.

**15. Compliance with Laws.** The issuance of this Option (and the shares of Stock upon exercise of this Option) pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules,



and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act, and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue this Option or any of the shares of Stock pursuant to this Agreement if any such issuance would violate any such requirements.

16. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the Option is intended to be exempt from the applicable requirements of Section 409A and shall be limited, construed, and interpreted in accordance with such intent.

17. **Binding Agreement; Assignment.** This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign any part of this Agreement without the prior express written consent of the Company.

18. **Headings.** The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same instrument.

20. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

21. **Entire Agreement; Amendment.** This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant.

22. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this Option grant and any other grants offered by the Company or its Affiliates, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. Electronic delivery of a document may be made via the

Company's email system or by reference to a location on the Company's intranet , an internet website, or the online brokerage account system.

**23. Acquired Rights.** The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of the Option made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Option awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary and shall not be considered as part of such salary in the event of severance, redundancy, or resignation.

*Remainder of Page Intentionally Left Blank*

above. **IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written

**Silvercrest Asset Management Group Inc.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Participant**

\_\_\_\_\_  
Name: Richard R. Hough, III

Social Security Number: \_\_\_\_\_

**EXHIBIT A**

**DEFINITIONS**

“Cause” has the meaning set forth in the Silvercrest LPA.

“Detrimental Activity” means

(a) without written authorization from the Company, disclosure to any Person outside the Company or the use in any manner, except as necessary in the furtherance of Participant’s responsibilities to the Company, at any time, of any confidential information, trade secrets or proprietary information relating to the business of the Company that is acquired by the Participant at any time prior to the Participant’s termination. For avoidance of doubt, nothing in this Agreement shall be construed to prohibit the Participant from (i) responding truthfully to a valid subpoena; (ii) filing a charge or complaint with, or participating in any investigation conducted by, a governmental agency including the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Equal Employment Opportunity Commission and/or any state or local human rights agency or Inspector General; or (iii) filing, testifying or participating in or otherwise assisting in a proceeding relating to, or reporting, an alleged violation of any federal, state or municipal law relating to fraud or any rule or regulation of the Securities Exchange Commission, the Commodity Futures Trading Commission or any self-regulatory organization (including, but not limited to, the Financial Industry Regulatory Authority), or making other disclosures or taking other actions (including, without limitation, receiving any whistleblower award provided for under such laws or regulations) that are protected under the whistleblower provisions of federal or state law or regulation. Prior authorization of the Company shall not be required to make any reports or disclosures under this Paragraph and the Participant is not required to notify the Company that the Participant has made such reports or disclosures;

(b) any activity while employed or performing services that results, or if known could have reasonably been expected to result, in the Participant’s termination for Cause;

(c) without written authorization from the Company, directly or indirectly, in any capacity whatsoever, (i) engage or hold interests in other business ventures of any kind that creates or appears to create a conflict of interest with such Participant’s responsibilities with respect to the Company and its Clients without the prior approval in writing of the Company. The restrictions set forth in this (c) shall not prohibit the ownership of a less than 2% interest in any Person if the securities of such Person are publicly traded.

(d) engaging, individually or through an agent, for such Participant or on behalf of another, as an employee, director, owner, partner, member, sole proprietor, consultant, agent, representative, shareholder, or in any other manner or capacity whatsoever in the following: (A) contacting, directly or indirectly, any Client or otherwise solicit or inducing or attempting to solicit or induce any Client with whom the Participant has dealt, to terminate, reduce or not renew its relationship with the Company; (B) accepting any business involving or relating to the business of the Company from any Client with whom the Participant has dealt during the

Restricted Period, or entering into a business relationship involving or relating to the business of the Company with any such Client (unless approved by the Company in writing); (C) making any statement or take any action that may interfere with the Company's business relationship with any Client, vendor, supplier or lender; (D) inducing or soliciting or attempting to induce or solicit any vendor, supplier or lender of the Company to terminate, reduce or not renew its relationship with the Company; or (E) soliciting or inducing any individual then employed by the Company to terminate such employment, or hire or attempt to hire any individual who is, or was during the Restricted Period, employed by or associated with the Company as an employee, independent contractor or agent;

(e) a material breach of any restrictive covenant contained in any agreement between the Participant and the Company; or

(f) the Participant's Disparagement, or inducement of other to do so, of the Company or its Affiliates or their past or present officers, directors, employees or products.

For purposes of Detrimental Activity, the term "Company" shall be deemed to include its Affiliates. Only the Chief Executive Officer or the Chief Financial Officer of the Company (or his designee, as evidenced in writing) shall have the authority to provide the Participant, except for himself or herself, with written authorization to engage in the activities contemplated in subsections (a) and (c) of the definition of Detrimental Activity.

"Disability" has the meaning set forth in the Slivercrest LPA.

"Disparagement" means making comments or statements to the press, the Company's or its Affiliate's employees, consultants or any individual or entity with whom the Company or its Affiliates has a business relationship which could reasonably be expected to adversely affect in any manner: (a) the conduct of the business of the Company or its Affiliates (including, without limitation, any products or business plans or prospects); or (b) the business reputation of the Company or its Affiliates, or any of their products, or their past or present officers, directors or employees.

"Good Reason" has the meaning set forth in the Employment Agreement, including the notice and cure provisions set forth therein.

"Restricted Period" means the period beginning on the date of Separation from Service of the Participant with the Company and ending on the 18-month anniversary thereof, (B) "Person" means and includes an individual and any legal entity including a corporation, partnership, association, limited liability company, joint stock company, trust or estate, and (C) the term "Client" shall include all Past Clients, and Present Clients, subject to the following general rule: with respect to each such Client, the term shall also include any Persons which are known to the Participant to be Affiliates of such Client. Past Clients, Potential Clients and Present Clients shall be defined as follows:

"Past Client" shall mean, at any particular time, any Person who at any point within the five years prior to such time had been a recipient of services from the Company (including, without limitation, its predecessors) or its Affiliates but at such time is not a recipient of services from the Company or its Affiliates.

“Potential Client” shall mean, as of any time of determination, any Person to whom the Company (including without limitation, its predecessors) or its Affiliates has offered to provide investment products or services at any point during the period of two (2) years immediately preceding such time of determination (but who has not become a recipient of investment products or services from the Company or its Affiliates).

“Present Client” shall mean, at any particular time, any Person who is at such time a recipient of services from the Company or its Affiliates.

“Silvercrest LPA” means that certain Second Amended and Restated Limited Partnership Agreement of Silvercrest L.P. executed as of November 13, 2012.