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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 13, 2013

Capital Southwest Corporation

(Exact name of registrant as specified in its charter)

Texas	811-1056	75-1072796
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

12900 Preston Road, Suite 700, Dallas, Texas	75230
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 972-233-8242

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

On May 17, 2013, Capital Southwest Corporation (the "Company") issued a press release announcing that Gary L. Martin, president, chief executive officer and chairman of the Company will retire as president and chief executive officer effective June 17, 2013 and that its board of directors (the "board") has named Joseph B. Armes to succeed Mr. Martin as president and chief executive officer. Additionally, the board increased the number of board seats from five to six and appointed Mr. Armes a director of the corporation, effective June 17, 2013. Mr. Gary Martin will serve as the executive chairman of the board through December 31, 2013. He will continue to serve as non-executive chairman of the board through the remainder of his term. It is anticipated that Mr. Martin will continue to serve as a director, thereafter. A copy of the press release is attached hereto as Exhibit 99.1.

Mr. Armes has served as president and chief executive officer of JBA Investment Partners, a family investment vehicle, since 2010. From 2005 to 2010, Mr. Armes served as chief operating officer of Hicks Holdings LLC. Prior to 2005, Mr. Armes served as executive vice president and chief financial officer of Hicks Sports Group LLC., as executive vice president and general counsel of Hicks Sports Group LLC., as executive vice president and general counsel of Suiza Foods Corporation (now Dean Foods Company) and vice president and general counsel of The Morningstar Group Inc. Mr. Armes earned a BBA in Finance and a Master of Business Administration from Baylor University, and a Juris Doctor from Southern Methodist University.

Effective June 17, 2013, Mr. Armes will receive cash compensation for FYE 2014 comprised of base pay at the annual rate of $430,000 and may earn an annual cash bonus of up to 150% based upon achievement of specified goals. In addition, he will also receive i) options to acquire 7,500 shares of common stock pursuant to our 2009 Stock Option Plan, the options vest equally over five years from the grant date; ii) 1,250 common shares underlying a restricted stock award that vests equally over five year from the grant date; iii) 6,000 shares of phantom stock options that will vest over five years from the grant date. These options and restricted stock awards will be awarded during the July 15, 2013 Compensation Committee Meeting, and the exercise and strike prices will be determined at that date.

Mr. Armes is an "interested person" as defined in the Investment Company Act of 1940 and is not "independent" as defined by the NASDAQ Stock Market Listing Standards. There are no family relationships, as defined in item 401 of Regulation S-K, between Mr. Armes and any of the Company's executive officers and any director, executive officer or person nominated to become a director or executive officer. There are no arrangements or understandings between Mr. Armes and any other person pursuant to which Mr. Armes was appointed as president, chief executive officer and director of the Company. There are no transactions in which Mr. Armes has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein and herein shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(a) None.
(b) None.
(c) None.
(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated May 17, 2013
99.2	Armes Revised Offer Letter dated May 10, 2013
99.3	Confidentiality and Noncompetition Agreement dated May 13, 2013
99.4	Indemnification Agreement dated May 13, 2013

SIGNATURES

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

Dated: May 17, 2013

By: /s/ Tracy L. Morris
Name: Tracy L. Morris
Title: Chief Operating Officer, Chief Financial Officer, Secretary and Treasurer

Exhibit 99.1

Capital Southwest Corporation
Strategic partners for long-term growth

12900 Preston Road, Suite 700
Dallas, Texas 75230
T 972.233.8242
F 972.233.7362

CAPITAL SOUTHWEST CORPORATION NAMES NEW PRESIDENT AND CEO;
GARY L. MARTIN ANNOUNCES RETIREMENT

Dallas – May 17, 2013 – Gary L. Martin, president, chief executive officer and chairman, today announced his planned retirement as president and chief executive officer of Capital Southwest Corporation (NASDAQ: CSWC) effective June 17, 2013. Founded in 1961, Capital Southwest is a publicly-owned Dallas-based venture capital/business development investment company with assets of $660 million.

On May 13, 2013, Joseph B. Armes was named by the board of directors to succeed Mr. Martin as president and chief executive officer, reporting to the board, effective June 17, 2013. The board also appointed Mr. Armes a director of the corporation commencing June 17, 2013.

“I’m honored to join Capital Southwest and look forward to continuing its legacy of creating value for its shareholders,” commented Mr. Armes.

Mr. Armes, 51, has served as president and chief executive officer of JBA Investment Partners, a family investment vehicle, since 2010. From 2005 to 2010, Mr. Armes served as chief operating officer of Hicks Holdings LLC. Prior to 2005, Mr. Armes served as executive vice president and CFO of Hicks Sports Group LLC and executive vice president and general counsel of Hicks Sports Group LLC. Previously, Mr. Armes served as executive vice president and general counsel of Suiza Foods Corporation (now Dean Foods Company) and vice president and general counsel of The Morningstar Group Inc. Mr. Armes earned a BBA in Finance and a Master of Business Administration from Baylor University, and a Juris Doctor from Southern Methodist University.

“Joe has built an impressive career in strategic investing and we welcome his experience and leadership to Capital Southwest,” said Gary Martin.

Mr. Martin joined Capital Southwest in 1972 as chief financial officer, subsequently serving as vice president and secretary-treasurer before becoming president in 1979 of The Whitmore Manufacturing Company of Rockwall, Texas, a 100% owned portfolio company of Capital Southwest. Mr. Martin has been a director of Capital Southwest since 1988. He earned a BBA degree in finance and accounting from the University of Oklahoma, and is a Certified Public Accountant (retired status).

After the management transition in June, Mr. Martin will serve as executive chairman of the board through December 31, 2013. Mr. Martin will continue to serve as non-executive chairman of the board through the remainder of his term. It is anticipated that Mr. Martin will continue to serve as a director, thereafter.

About Capital Southwest Corporation
Since Capital Southwest was formed in 1961, we have always sought to invest in companies with strong management teams and sound financial performance. As a public company, we are fortunate to have the flexibility to hold investments indefinitely. It is our dedication to this patient investment strategy that enables our portfolio companies to achieve their full potential. Visit our website www.capitalsouthwest.com to learn about our investment criteria and how our capital can accelerate your company’s growth.

This press release may contain historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business, financial condition and results of operations of the Company. The words "believe," "expect," "intend," "plan," "should" and similar expressions are intended to identify forward-looking statements. Such statements reflect the current views, assumptions and expectations of the Company with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in the markets in which the Company operates and in general economic and business conditions, competitive pressures, changes in business strategy and various other factors, both referenced and not referenced in this press release. Certain factors that may affect the Company and its results of operations, are included in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2012 and the Company's subsequent periodic filings with the Securities and Exchange Commission. The Company does not assume any obligation to update these forward-looking statements. This release may also contain non-GAAP financial measures. These measures are included to facilitate meaningful comparisons of our results to those in prior periods and future periods and to allow a better evaluation of our operating performance, in management's opinion. Our reference to any non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided only to enhance investors overall understanding of our financial performance.

Contact: **Gary L. Martin or Tracy L. Morris**
972-233-8242

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Exhibit 99.2

CSW | Capital Southwest Corporation
Strategic partners for long-term growth

12900 Preston Road, Suite 700
Dallas, Texas 75230
T 972.233.8242
F 972.233.7362

May 10, 2013
Revised

Mr. Joseph B. Armes
6810 Mimosa Lane
Dallas, Texas 75230

Dear Joe:

On behalf of the Capital Southwest Corporation (CSW) Board of Directors I am pleased to offer you the position of President of CSW and Member of the Board of Directors. As noted in our Bylaws, the President of CSW also serves as Chief Executive Officer of the corporation. The effective date of your employment will be June 17, 2013.

The compensation package that has been developed for you and approved by the Compensation Committee and Board includes the following:

Base Pay
Salary, paid semi-monthly in the annual amount of $430,000.

Annual Incentive Bonus
CSW created an incentive based cash bonus program for senior management in Fiscal 2013. The plan focuses on certain key goals that were mutually agreed to by the Investment Team and Operations Team and approved by the Board. A copy of the 2014 Plan is attached. In fiscal 2013, a very similar plan generated an average success factor for all seven participants equal to 68% of the goals which generated cash bonus awards of 68% of their salaries. The two most senior managers scored at 100%.

Your particular plan will utilize the same average success factor achieved by the senior management (same individuals in FY 2014 as FY 2013) but will include a 150% of base pay factor. Assuming a start date near June 1, 2013, the results will be prorated at 10/12 of the total for FYE 3/31/14. If the same 68% is achieved, your cash bonus will be $365,500 (68% X 150% X $430,000 X 10/12).

The Company reviews all salary levels on an annual basis. The Annual Incentive Bonus is reset at the beginning of each fiscal year.

Long-Term Incentive Bonus Programs

- Phantom Stock Options – 5 year vesting in the amount of 6,000 shares. The options are tied to the Net Asset Value (NAV) of CSW. The most recent quarterly NAV of CSW at March 31, 2013 is $173.20 per share resulting in a carry of $1,039,200. The actual Phantom Stock Option will be awarded during the July 15, 2013 Compensation Committee Meeting and set as of the June 30, 2013 valuation determination. At maturity, the beginning carry will be deducted from the corresponding carry as of June 30, 2018 with the difference paid in cash to the holder.

- Restricted Stock Units (RSUs) – 5 year vesting. 1,250 shares of CSW common stock will be awarded at the July 15, 2013 Compensation Committee Meeting. The current market price of CSW is approximately $125.00 per share representing a proforma carry of $156,250. CSW RSUs are traditional in nature whereby the holder ultimately achieves full ownership of the underlying shares and receives all cash dividends (subject to tax) during the vesting period.

- Stock Options – 5 year vesting. 7,500 shares will be granted to you under our 2009 Stock Option Plan, a traditional option plan more fully described in our Proxy Statement. The award will be made at the July 15, 2013 Compensation Committee Meeting. The Options are tied to the market price, which at the current price of approximately $125.00 (as of 5/10/13) represents a carry of $937,500.

  It has been the Company's practice to grant Long Term Incentive Awards on either a 2 or 3 year cycle depending upon the general business climate.

Other Long-Term Incentive Compensation

- Employee Stock Ownership Plan – Defined Contribution. Five year vesting with withdrawals essentially only available for financial emergencies and at retirement. This is a profit sharing model that is not leveraged and only contains CSW common stock or other issuer shares that may have been a dividend from CSW. Contributions to the ESOP, which are determined by the Compensation Committee on the basis of the Company's performance, is generally 10% of each employee's covered compensation. Currently there is an ERISA annual limit of $25,000 per person. You will be eligible to participate after your first full year of employment.

- Retirement Plan – Defined Benefit. Non-contributory plan, funded by CSW. According to our actuaries, the Company's normal cost of funding the plan is approximately 8% of covered compensation. You will be eligible to participate after your first full year of employment.

As the Company's President, you will receive a monthly auto allowance of $750 with Company paid covered parking, 15 paid vacation days per year, 8 paid holidays, and other competitive healthcare benefits including group medical insurance currently provided by UnitedHealthcare.

All background checks are complete. This offer is only conditional upon your completion of the attached Employee Confidentiality and Noncompetition Agreement.

Joe, we are very pleased to extend this offer to you. We are convinced you are exceptionally well qualified and properly motivated to lead Capital Southwest into its second 50 years.

Best regards,

/s/ Richard F. Strup
Richard F. Strup
Chairman of the Nominating Committee

Attachments:

- 2014 CSW Officer Bonus Plans
- Employee Confidentiality and Noncompetition Agreement

AGREED and ACCEPTED:

/s/ Joseph B. Armes	5/13/2013
Joseph B. Armes	Date

Exhibit 99.3

EMPLOYEE CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This Employee Confidentiality and Noncompetition Agreement (the "**Agreement**") is made and entered into effective as of May 13, 2013 (the "**Effective Date**"), by and between **Capital Southwest Management Corporation**, a Nevada corporation ("**Employer**"), and Joseph B. Armes ("**Employee**").

W I T N E S S E T H:

WHEREAS, Employer desires to employ Employee as provided herein, and Employee desires to accept such employment; and

WHEREAS, Employee shall, as an employee of Employer, have access to Confidential Information (as hereinafter defined) with respect to Employer, its Affiliates and its Controlled Affiliates (as herein after defined);

WHEREAS, the parties hereto desire to enter into this Agreement in order to set forth the respective rights, limitations and obligations of both Employer and Employee with respect to Employee's employment with Employer, the Confidential Information, the Work Product, and the other matters set forth herein;

WHEREAS, Employee's performance of services to Employer may result in Work Product as hereinafter defined;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Employment**. Employer hereby employs Employee, and Employee hereby accepts employment with Employer and accepts the terms and conditions hereinafter set forth.

2. **Confidentiality**. Employee acknowledges that Employer has and will provide, and the Employee has and will acquire, technical knowledge with respect to Employer's, Affiliates' and Controlled Affiliates' business operations, including, by way of illustration, trade secrets, products, compilations, business and financial methods or practices, plans, pricing, marketing and selling techniques and information, customer lists, prospects lists, investor lists and confidential information relating to Employer's, Affiliates' and Controlled Affiliates' policies and/or business strategy (all of such information herein referenced to as the "**Confidential Information**"); provided, however, that "Confidential Information" shall not include information that (a) is or hereafter becomes available in the public domain, (b) is or becomes available to Employee on a non-confidential basis from a source other than the Employer, provided that such source is not known to Employee, after due inquiry of such source, to be bound by a confidentiality agreement or other contractual, legal or fiduciary obligation of confidentiality with respect to such information, or (c) is independently developed by Employee without the use of or reliance upon Employer Confidential Information. The protection of the Confidential Information against unauthorized disclosure or use is of critical importance to Employer. Employee agrees that Employee will not, during the course of his employment by Employer, divulge to any person, directly or indirectly, except to Employer or its officers and agents or as reasonably required in connection with Employee's duties on behalf of Employer, or use, except on behalf of Employer, any Confidential Information acquired by the Employee before or during his employment by Employer. The Employee agrees that Employee will not, at any time after his employment with Employer has ended, use or divulge to any person, directly or indirectly, any Confidential Information or use any Confidential Information in subsequent employment. Employee acknowledges and agrees that his non-disclosure obligation applies to all Confidential Information of Employer, Affiliates and Controlled Affiliates, no matter when he obtained knowledge of or access to such Confidential Information. Employee further acknowledges that Employer would not employ him or provide him with access to its Confidential Information, but for his promises and covenants contained in this Section 2 and elsewhere in this Agreement. Employee further represents and warrants that he is not bound by any agreement with any prior employer or other party that will be breached by execution and performance of this Agreement, or which would otherwise prevent him from performing his duties with Employer as set forth in this Agreement. Employee represents and warrants that he has not retained any copies of proprietary and confidential information of any prior employer, and he will not use or rely on any confidential and proprietary information of any prior employer in carrying out his duties for Employer.

3. **Affiliate and Controlled Affiliate**. An "**Affiliate**" shall mean any entity in which the Employer or its related companies, Capital Southwest Corporation and Capital Southwest Venture Corporation, has any ownership or financial interest. **"Controlled Affiliate"** shall mean any entity in which the Employer or its Affiliates has a controlling interest (greater than 50% interest), including but not limited to The Whitmore Manufacturing Company, The RectorSeal Corporation, and Media Recovery, Inc. The list of Controlled Affiliates is subject to change during the Employer's ordinary course of business.

4. **Return of Materials at Termination**. Employee agrees that if Employee's relationship with Employer is terminated (for whatever reason), Employee shall not take with him, but will leave with Employer, all work product, Confidential Information, records, files, memoranda, reports, customer lists, prospects lists, investor lists, supplier lists, documents and other information related to the conduct of the business, in whatever form (including on computer disk), and any copies thereof, or if such items are not on the premises of Employer, Employee agrees to return such items immediately upon Employee's termination. Employee acknowledges that all such items are and remain the property of Employer.

5. **Noncompetition**. In consideration of the numerous mutual promises contained in this Agreement, including, without limitation, those involving Confidential Information, and in order to protect Employer's Confidential Information and to reduce the likelihood of irreparable damage which would occur in the event such information is provided to or used by a competitor of Employer, Employee agrees that for a period of one (1) year from and after the date of termination of this Agreement (the "**Noncompetition Term**"), he will not directly or indirectly, either through any form of ownership or as a director, officer, principal, agent, employee, employer, advisor, consultant, owner (except for a 1% or less ownership interest in any publicly-traded entity), partner, member, manager or in any other individual or representative capacity whatsoever, either for his own benefit or for the benefit of any other person, firm, corporation, governmental or private entity, or any other entity of whatever kind, use any Confidential Information to compete with Employer, its Affiliates or its Controlled Affiliates in the Business in the United States (the "**Restricted Area**"). Any such acts during the Noncompetition Term in the Restricted Area shall be considered breaches and violations of this Agreement. For purposes of this Section 5, the term "Business" shall mean business being conducted by Employer, its Affiliates or its Controlled Affiliates as of the termination date.

If, during any period within the Noncompetition Term, Employee is not in compliance with the terms of this Section 5, in addition to the rights and remedies available to Employer at law, Employer shall be entitled to, among other remedies, compliance by Employee with the terms of this Section 5 for an additional period equal to the period of such noncompliance. For purposes of this Agreement, the term "**Noncompetition Term**" shall also include this additional period. Employee hereby acknowledges that the geographic boundaries, scope of prohibited activities and the time duration of the provisions of this Section 5 are reasonable and are no broader than are necessary to protect the legitimate business interests of Employer.

This noncompetition provision shall survive the termination of Employee's employment and can only be revoked or modified by a writing signed by the parties which specifically states an intent to revoke or modify this provision.

6. **Non-Interference or Solicitation.** Employee agrees that during his employment with Employer and for a period of two (2) years immediately following Employee's termination for any reason (the "**Non-Interference and Non-Solicitation Term**"), he shall comply with the non-interference and non-solicitation provisions set forth in this Section 6 of this Agreement. Employee further agrees that during the period beginning with the commencement of Employee's employment with Employer and ending upon completion of the Non-Interference and Non-Solicitation Term, Employee shall not, directly or indirectly, as an employee, agent, consultant, stockholder, director, partner or in any other individual or representative capacity of Employer or any other person, entity or business, (i) solicit or encourage any partner or investor of Employer, Affiliate or Controlled Affiliate, to do business with any person or entity other than Employer, Affiliate or Controlled Affiliate with respect to or in competition with any of Employer's, Affiliates' or Controlled Affiliates' then services or offerings; or (ii) Employee shall not, on Employee's own behalf or on behalf of any other person, firm, partnership, corporation or other entity, recruit, hire, solicit, or seek to hire any employee of Employer, Affiliate or Controlled Affiliate or in any other manner attempt, directly or indirectly, to influence, induce, or encourage any employee of Employer to leave Employer 's, Affiliates' or Controlled Affiliates' employment, nor shall Employee use or disclose to any person, firm, partnership, or corporation or other entity any information concerning the names, addresses and/or salaries of any employees of Employer, Affiliate or Controlled Affiliate. This provision is expressly cumulative and in addition to whatever other remedies Employer may have either at law or in equity.

7. **Work Product**. For purposes of this Section 7, "Work Product" shall mean all intellectual property rights, including all trade secrets, U.S. and international copyrights, trademarks, trade names, licenses, patentable inventions, discoveries and other intellectual property rights in any work product that is created in connection with Employee's work. In addition, all rights in any preexisting Work Product provided to the Employer during Employee's employment shall automatically become part of the Work Product hereunder, whether or not it arises specifically out of Employee's Work. For purposes of this Agreement, "Work" shall mean (i) any direct assignments and required performance by or for the Employer, and (ii) any other productive output that specifically relates to the business of the Employer and is produced during Employee's employment or engagement by the Employer. For this purpose, Work may be considered present even after normal working hours, away from the Employer's premises, on an unsupervised basis, alone or with others.

The Employer shall own all rights in the Work Product. To this end, all Work Product shall be considered work made for hire for the Employer. If any of the Work Product may not, by operation of law or agreement, be considered Work made by Employee for hire for the Employer (or if ownership of all rights therein do not otherwise vest exclusively in the Employer immediately), Employee agrees to assign, and upon creation thereof does hereby automatically assign, without further consideration, the ownership thereof to the Employer. Employee hereby irrevocably relinquishes for the benefit of the Employer and its assigns any moral rights in the Work Product recognized by applicable law. The Employer shall have the right to obtain and hold, in whatever name or capacity it selects, copyrights, registrations, and any other protection available in the Work Product.

Employee agrees to perform upon the request of the Employer, during or after Employee's Work or employment, such further acts as may be necessary or desirable to transfer, perfect, and defend the Employer's ownership of the Work Product, including by (i) executing, acknowledging, and delivering any requested affidavits and documents of assignment and conveyance, (ii) obtaining and/or aiding (provided, however, without any requirement of Employee to expend funds or incur liabilities or expenses in such aid to Employer) in the enforcement of copyrights, trade secrets, and (if applicable) patents with respect to the Work Product in any countries, and (iii) providing testimony in connection with any proceeding affecting the rights of the Employer in any Work Product. Employee shall be compensated for all assistance provided to Employer under this Section 7 at the rate of USD $300 per hour and shall be reimbursed by Employer for any and all reasonable expenses and costs incurred by Employee in connection with its post-employment fulfillment of the provisions of this Section 7. Employer's obligations and Employee's rights under the immediately preceding sentence shall survive the termination of this agreement for any reason.

8. **No Exclusions.** Employee hereby represents that Employee has not heretofore created any Work Product or prepared any work which is the subject of any Work Product that Employee wishes to exclude from the provisions of Section 7 above.

9. **Reformation of Sections 5 and 6.** Employer and Employee agree and stipulate that the agreements contained in Sections 5 and 6 hereof are fair and reasonable in light of all of the facts and circumstances of the relationship between Employee and Employer; however, Employee and Employer are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of, and not in derogation of the provisions of Sections 5 and 6, Employer and Employee agree that in the event a court should decline to enforce the provisions of Sections 5 and 6, that Sections 5 and 6, as applicable, shall be deemed to be modified or reformed to restrict Employee's competition with Employer or its Affiliates to the maximum extent, as to time, geography and business scope, which the court shall find enforceable; provided, however, in no event shall the provisions of Sections 5 and 6 be deemed to be more restrictive to Employee than those contained herein.

10. **Injunctive Relief and Damages.** Employee acknowledges that breach of any of the agreements contained herein, including, without limitation, any of the noncompetition and confidentiality covenants specified in Sections 2 through 7, will give rise to irreparable injury to Employer, inadequately compensable in damages. Accordingly, Employer shall be entitled to injunctive relief to prevent or cure breaches or threatened breaches of the provisions of this Agreement and to enforce specific performance of the terms and provisions hereof in any court of competent jurisdiction, in addition to any other legal or equitable remedies which may be available. Employee further acknowledges and agrees that in the event of the termination of this Agreement, his experience and capabilities are such that he can obtain employment in business activities which are of a different or noncompeting nature with his activities as an employee of Employer; and that the enforcement of a remedy hereunder by way of injunction shall not prevent Employee from earning a reasonable livelihood. Employee further acknowledges and agrees that the covenants contained herein are necessary for the protection of Employer's legitimate business interests and are reasonable in scope and content.

11. **Severability and Reformation.** Subject to Section 9 if any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of Employee or Employer under this Agreement would not be materially and adversely affected thereby, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part thereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible, and Employer and Employee hereby request the court to whom disputes relating to this Agreement are submitted to reform the otherwise unenforceable covenant in accordance with this Section 11.

12. **Notices**. All notices, requests, demands or other communications required or permitted to be given pursuant to this Agreement shall be in writing and given by (i) personal delivery, (ii) expedited or overnight courier or delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address for notice for such party set forth below or to such different address as the addressee shall have designated by written notice sent pursuant to the terms hereof and shall be deemed to have been received either, in the case of personal delivery, at the time of personal delivery, in the case of expedited or overnight courier or delivery service, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of mail, three days after deposit in a depository receptacle under the care and custody of the United States Postal Service. Either party shall have the right to change its address for notice hereunder to any other location within the continental United States by written notice to the other party of such new address at least thirty (30) days prior to the effective date of such new address.

If to Employer: Capital Southwest Management Corporation
12900 Preston Road, Suite 700
Dallas, Texas 75230

If to Employee: Joseph B. Armes
6810 Mimosa Lane
Dallas, Texas 75230

13. **Modification.** No change or modification of this Agreement shall be valid or binding upon the parties hereto, nor shall any waiver of any term or condition in the future be so binding, unless change or modification or waiver is in writing and signed by the parties hereto.

14. **Forum, Venue, and Jurisdiction.** Any legal suit, action, or proceeding brought by any party or any of its Affiliates arising out of or based upon this Agreement shall only be instituted in any federal or state court of competent jurisdiction in Dallas County, Texas. Each party waives any objection which it may now or hereafter have to the laying of venue in any such proceeding, and irrevocably submits to the jurisdiction of such courts in any such suit, action, or proceeding.

15. **Governing Law.** This Agreement shall be governed by the Laws of the State of Texas, regardless of conflicts of law or choice of law principles.

16. **Costs.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which he or it may be entitled.

17. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their executors, administrators, successors, personal representatives, heirs, and assigns.

18. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, but only one of which need be produced.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Capital Southwest Management Corporation

By: /s/ Richard F. Strup
Name: Richard F. Strup, Director

Employee

By: /s/ Joseph B. Armes
Name: Joseph B. Armes

Exhibit 99.4

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made as of the 13th day of May 2013, between Capital Southwest Corporation, a Texas corporation ("Corporation"), and Joseph B. Armes ("Indemnitee").

WITNESSETH THAT:

WHEREAS, effective June 17, 2013, Indemnitee is either a director, officer or an employee of Corporation, Capital Southwest Management Corporation, a Nevada corporation ("CSMC"), or Capital Southwest Venture Corporation, a Nevada corporation ("CSVC"), and in such capacity is performing valuable services for Corporation; and

WHEREAS, Corporation has adopted Articles of Incorporation ("Articles") that require indemnification of each director, officer and employee of Corporation, CSMC and CSVC against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding, and any inquiry or investigation that could lead to such action, suit or proceeding, on account of such person's service as a director, officer or employee of Corporation, CSMC or CSVC, or service at the request of Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise all to the fullest extent permitted by the Texas Business Corporation Act, as the same exists or may be hereafter amended, except as otherwise provided in the Articles; and

WHEREAS, the parties hereto acknowledge and agree that (i) the Board of Directors of Corporation intended at the time it approved the indemnification provision in the Articles described above and as of the dates of the Prior Agreement (hereinafter defined) and this Agreement and their approvals, execution and delivery thereof, and (ii) the Corporation and Indemnitee intended, as of the time the indemnification provision in the Articles described above became effective and as of the dates of the approval, execution and delivery of the Prior Agreement and this Agreement, that indemnification to which any person, including but without limitation Indemnitee, could be entitled pursuant to the Articles, the Prior Agreement or this Agreement was and shall be net loss actually incurred by Indemnitee, after realization of or giving effect to all insurance, bonding, indemnification and other payments or recoveries actually received by or for the benefit of Indemnitee, directly or indirectly; and

WHEREAS, Corporation desires to grant to Indemnitee the maximum indemnification for Loss (hereinafter defined) permitted by its Articles, retroactive to the first date Indemnitee first became a director, officer or employee of Corporation, CSMC or CSVC (or at the request of Corporation in one of the above-stated capacities) and covering all periods of service from time to time; and

WHEREAS, recent developments with respect to the terms and availability of directors' and officers' liability insurance and with respect to the application, amendment and enforcement of statutory, charter and bylaw indemnification provisions generally have raised questions concerning the adequacy and reliability of the protection afforded to persons intended to be protected thereunder; and

WHEREAS, in order to resolve such questions and thereby induce Indemnitee to serve and to continue to serve on behalf, or at the request, of Corporation, CSMC or CSVC, Corporation has determined and agreed to enter into this contract with Indemnitee;

NOW, THEREFORE, in consideration of Indemnitee's continued service on behalf, or at the request, of Corporation, CSMC or CSVC after the date hereof, and in consideration of the amendments to the Prior Agreement, the parties hereto agree as follows:

1. Indemnity of Indemnitee. Corporation hereby agrees to hold harmless and indemnify Indemnitee against any and all judgments, penalties (including excise and similar taxes), fines settlements and reasonable expenses (including attorneys' fees) actually incurred by him (after realization of or giving effect to all insurance, bonding, indemnification and other payments or recoveries actually received by or for the benefit of Indemnitee, directly or indirectly, in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding, by reason of the fact that he is or was a director, officer or employee of Corporation, CSMC or CSVC or is or was serving at the request of Corporation as a director, officer partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise all to the full extent of Loss authorized or permitted by the provisions of the Articles as they exist on the date hereof. A copy of the applicable provisions of the Articles as they exist on the date hereof is attached hereto as Exhibit A. Corporation and Indemnitee hereby agree that the provisions of the Articles are hereby incorporated herein by reference as if fully set out herein and that indemnification thereunder is for Loss to which any indemnified person (including Indemnitee) is entitled. Except as otherwise expressly limited herein or in the Articles, it is the intent of the parties hereto that all indemnity obligations and/or liabilities of Corporation hereunder shall be without limit and without regard to the cause or causes thereof or the negligence of any person or persons (expressly including Indemnitee), whether such negligence of Indemnitee be sole, joint or concurrent, active or passive.

2. Continuation of Indemnity. All agreements and obligations of Corporation contained herein shall continue during the period Indemnitee is a director, officer or employee of Corporation, CSMC or CSVC (or is or was serving at the request of Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise), shall be retroactive to the first date Indemnitee first became a director, officer or employee of Corporation, CSMC or CSVC (or first began acting at the request of Corporation in one of the above-stated capacities) covering all periods of service from time to time, and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding, by reason of the fact that Indemnitee was serving in any capacity referred to herein.

3. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of any claim against Indemnitee or the commencement of any action, suit or proceeding, Indemnitee will, if a claim in respect thereof is to be made against Corporation under this Agreement, notify Corporation of the assertion or any such claim or the commencement thereof; but the omission so to notify Corporation will not relieve it from any liability under this Agreement unless such delay in notification actually prejudiced Corporation (and then only to the extent Corporation was actually prejudiced thereby) and in addition, Corporation shall not be relieved from any liability which it may have to Indemnitee otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnitee notifies Corporation of the commencement thereof;

(a) Corporation will be entitled to participate therein at its own expense; and,

(b) Except as otherwise provided below, to the extent that it may wish, Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to Indemnitee. After notice from Corporation to Indemnitee of its election so to assume the defense thereof, Corporation will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ his own counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by Corporation, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between Corporation and Indemnitee in the conduct of the defense of such action or (iii) Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of Corporation. Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of Corporation or as to which Indemnitee shall have made the conclusion provided for in (ii) above.

(c) Corporation shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent. Corporation shall not settle any action or claim in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither Corporation nor Indemnitee will unreasonably withhold their consent to any proposed settlement.

4. Advances of Expenses. Reasonable expenses (other than judgments, penalties, fines and settlements) incurred by Indemnitee that are subject to indemnification under this Agreement (and not paid, reimbursed or advanced by others) shall be paid or reimbursed by Corporation in advance of the final disposition of the proceeding after: (a) Corporation receives a written request by Indemnitee accompanied by substantiating documentation of such expenses, a written affirmation by Indemnitee of his good faith belief that he has met the standard of conduct necessary for indemnification under this Agreement and a written undertaking by or on behalf of Indemnitee to repay the amount paid or reimbursed if it is ultimately determined that he has not met those requirements or that such reasonable expenses do not constitute Loss; and (b) at least one of the following occurs: (i) Corporation has elected to require security for the aforementioned written undertaking and Indemnitee has provided security therefore satisfactory to Corporation, or (ii) Corporation shall be insured against losses arising by reason of any unlawful advances, or (iii) the Reviewing Party (hereinafter defined) shall determine, based on a review of readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that Indemnitee ultimately will be found entitled to indemnification pursuant to this Agreement. If clause (b)(i) above has not been complied with or Corporation is not insured against losses arising by reason of any unlawful advances, Corporation shall cause the Reviewing Party to determine, within thirty (30) days after Corporation receives Indemnitee's written request accompanied by substantiating documentation of such expenses, and Indemnitee's written affirmation and written undertaking described in clause (a) above, whether or not, based on a review of readily available facts there is reason to believe that Indemnitee ultimately will be found entitled to indemnification. The written undertaking described in clause (a) above must be an unlimited general obligation of Indemnitee but shall not be secured unless clause (b)(i) above is applicable. Such undertaking shall be without reference to the financial ability of Indemnitee to make repayment.

If the determination of whether or not there is reason to believe that Indemnitee ultimately will be found entitled to indemnification is to be made by Independent Legal Counsel (hereinafter defined), such Independent Legal Counsel shall render its written opinion to Corporation and Indemnitee as to its determination. Corporation agrees to pay the reasonable fees of Independent Legal Counsel and to indemnify and hold harmless such Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to the engagement of Independent Legal Counsel pursuant hereto and the written opinion of such Independent Legal Counsel.

5. Right of Indemnitee to Indemnification Upon Application; Procedure Upon Application. Upon written request of Indemnitee to be indemnified pursuant to this Agreement (other than pursuant to Section 4 hereof), Corporation shall cause the Reviewing Party to determine, within forty-five (45) days, whether or not the Indemnitee has met the relevant standards for indemnification required by this Agreement (i.e., the greatest extent permitted by the Articles). The termination of a proceeding by judgment, order, settlement, or conviction, or on a plea of nolo contendere or its equivalent shall not of itself create a presumption that Indemnitee did not meet the requirements for indemnification required by this Agreement. If a determination of indemnification is to be made by Independent Legal Counsel, such Independent Legal Counsel shall render its written opinion to Corporation and Indemnitee as to what extent Indemnitee will be permitted to be indemnified. Corporation agrees to pay the reasonable fees of Independent Legal Counsel and to indemnify and hold harmless such Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to the engagement of Independent Legal Counsel pursuant hereto and the written opinion of such Independent Legal Counsel.

6. Definitions. The terms defined in this Section 6 shall, for purposes of this Agreement, have the indicted meanings:

(a) "Reviewing Party" means, if a Change in Control (hereinafter defined) has not occurred (or if a Change in Control has occurred and such Change in Control has been approved by a majority of the Board of Directors of Corporation who were directors of Corporation immediately prior to such Change In Control), (i) a majority of a quorum of directors of Corporation who at the time of voting upon a determination of indemnification are neither "interested persons" of Corporation as defined in Section 2(a) (19) of the Investment Company Act of 1940, as amended ("Interested Persons"), nor parties to that particular action, suit or proceeding to which Indemnitee is seeking indemnification; or (ii) Independent Legal Counsel selected by a majority of a quorum of directors who at the time of selecting such Independent Legal Counsel are neither Interested Persons nor parties to that particular action, suit or proceeding to which Indemnitee is seeking indemnification, or if such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors of Corporation designated to select such Independent Legal Counsel by a majority vote of all directors of Corporation, consisting solely of two or more directors who at the time of such selection are neither Interested Persons nor parties in that particular action, suit or proceeding to which Indemnitee is seeking indemnification, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors of Corporation. "Reviewing Party" means, if a Change in Control has occurred, Independent Legal Counsel selected in the manner set forth in (ii) above.

(b) "Change in Control" shall be deemed to have occurred if (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of Corporation or a corporation owned directly or indirectly by Corporation or by the shareholders of Corporation in substantially the same proportions as their ownership of stock of Corporation, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, or securities of Corporation representing 20% or more of the total voting power represented by Corporation's then outstanding Voting Securities (hereinafter defined) (unless such person or group beneficially owns 20% or more of the total voting power represented by Corporation's outstanding voting securities on the date hereof), or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of Corporation and any new director whose election by the Board of Directors or nomination for election by Corporation was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the shareholders of Corporation approve a merger or consolidation of Corporation with any other corporation, other than a merger or consolidation which would result in the Voting Securities of Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of Corporation or such surviving entity outstanding immediately after such merger or consolidation, or the shareholders of Corporation approve a plan of complete liquidation of Corporation or an agreement for the sale or disposition by Corporation (in one transaction or a series of transactions) of all or substantially all the assets of Corporation.

(c) "Independent Legal Counsel" shall mean an attorney, selected in accordance with the provisions of Section 6(a) hereof, who shall not have otherwise performed services for Indemnitee, Corporation, any person that controls Corporation or any of the directors of Corporation, within five years preceding the time of such selection (other than in connection with seeking indemnification under this Agreement). Independent Legal Counsel shall not be any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either Corporation or Indemnitee in an action to determine Indemnitee's rights under this Agreement, nor shall Independent Legal Counsel be any person who has been sanctioned or censured for ethical violations of applicable standards of professional conduct.

(d) "Prior Agreement" shall mean that certain Indemnification Agreement dated as of the date of this Agreement that was previously executed and delivered by and between Corporation and Indemnitee.

(e) "Loss" shall mean any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including attorneys' fees) actually incurred by Indemnitee, after realization of or giving effect to all insurance, bonding, indemnification and other payments or recoveries actually received by or for the benefit of Indemnitee, directly or indirectly.

(f) "Voting Securities" shall mean any securities of Corporation which vote generally in the election of directors.

7. Enforceability. The right to indemnification or advances as provided by this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction. The burden of proving that indemnification is not appropriate shall be on Corporation. Neither the failure of Corporation (including its Board of Directors or Independent Legal Counsel) to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances, because Indemnitee has met the applicable standard of conduct, nor an actual determination by Corporation (including its Directors or Independent Legal Counsel) that Indemnitee has not met such an applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

8. Partial Indemnity; Expenses. If the Indemnitee is entitled under any provision of this Agreement to indemnification by Corporation for some or a portion of the expenses, judgments, fines, penalties, but not for the total amount thereof, Corporation shall indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all actions, suits or proceedings relating in whole or in part to an event subject to indemnification hereunder or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against expenses incurred for Loss in connection with such action, suit, proceeding, issue or matter, as the case may be.

9. Repayment of Expenses; Subsequent Recoveries. Indemnitee agrees that he will (a) reimburse Corporation for all reasonable expenses paid by Corporation in defending any claim or potential claim or any civil or criminal action, suit or proceeding against Indemnitee in the event and only to the extent that it shall be ultimately determined that Indemnitee is not entitled to be indemnified by Corporation for such expenses under the provisions of this Agreement, and (b) pay to Corporation all insurance, bonding, indemnification and other payments or recoveries actually received by Indemnitee, directly or indirectly, at any time after Corporation has made indemnification payments pursuant to this Agreement to or for the benefit of Indemnitee, directly or indirectly.

10. Consideration. Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on Corporation hereby in order to induce Indemnitee to serve and continue to serve as a director, officer or employee of Corporation, CSMC or CSVC (or at the request of Corporation in one of the above-described capacities), and acknowledges that Indemnitee is relying upon this Agreement in serving in such capacity. Indemnitee expressly confirms and agrees that this Agreement does not create or imply any rights of continued employment of Indemnitee.

11. Indemnification Hereunder Not Exclusive. The indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under any other agreement, vote of shareholders, as a matter of law or otherwise, but Indemnitee agrees with Corporation that indemnification pursuant to the Articles or Bylaws of the Corporation is limited to Loss, and Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if, and to the extent that, Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, Corporation's Articles, as amended, Bylaws or otherwise.

12. Subrogation. In the event of payment under this Agreement, Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of such Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights.

13. Severability. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision thereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability or the other provisions hereto.

14. Notice. Notice to Corporation shall be directed to Capital Southwest Corporation, 12900 Preston Road, Suite 700, Dallas, TX 75230, Attention: President. Notice to Indemnitee shall be directed to his address as set forth on the signature page hereof. Either party hereto may change its or his address for notice from time to time by delivering notice to that effect to the other party. Notice shall be deemed received three (3) days after the date postmarked if sent by prepaid certified or registered mail, return receipt requested, properly addressed.

15. Governing Law; Binding Effect: Amendment and Termination; Reimbursement.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of the State of Texas.

(b) This Agreement amends, restates and supersedes the Prior Agreement which Corporation and Indemnitee agree was of like tenor, intent and effect as this Agreement. This Agreement shall be binding upon Indemnitee and upon Corporation, its successors and assigns, and shall inure to the benefit of Indemnitee, his heirs, executors, administrators, personal representatives and assigns and to the benefit of Corporation, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

(d) In the event Indemnitee is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, Corporation shall reimburse Indemnitee for all of Indemnitee's reasonable fees and expenses in bringing and pursuing such action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

CAPITAL SOUTHWEST CORPORATION

By: /s/ Gary L. Martin
Gary L. Martin, President

/s/ Joseph B. Armes
Joseph B. Armes, Indemnitee

Address of Indemnitee:

6810 Mimosa Lane
Dallas, Texas 75230

EXHIBIT A

ARTICLE SIX

The corporation shall indemnify persons who are or were a director, officer or employee of the corporation, Capital Southwest Management Corporation ("CSMC") or Capital Southwest Venture Corporation ("CSVC") against any and all judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses actually incurred by such person in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, any appeal in such action, suit or proceeding, and any inquiry or investigation that could lead to such action, suit or proceeding, on account of such person's service as a director, officer or employee of the corporation, CSMC or CSVC, or services at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise (such persons collectively referred to herein as "Corporate Functionaries") all to the fullest extent permitted by the Texas Business Corporation Act, as the same exists or may be hereafter amended.

The rights of indemnification provided for in this Article Six shall be in addition to all rights to which any Corporate Functionaries may be entitled under any agreement or vote of shareholders or as a matter of law or otherwise.

The corporation may purchase or maintain insurance on behalf of any Corporate Functionaries against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person. Notwithstanding the foregoing, the corporation shall only indemnify Corporate Functionaries to the extent either permitted by or not prohibited by the Investment Company Act of 1940, as amended, and the rules and regulations and the published interpretations of the Securities and Exchange Commission or its Staff, thereunder.

No amendment to or repeal of this Article Six shall apply to or have any effect on the liability or alleged liability of any Corporate Functionaries for or with respect to any acts or omissions of such Corporate Functionaries occurring prior to the effective time of such amendment or repeal.