

Investment Committee Charter

Revised 7/14/2010

This committee shall be called the Investment Committee of the Board of Directors of Carriage Services, Inc.

I. PURPOSE OF THE COMMITTEE

The purposes of the Investment Committee (the "Committee") of the Board of Directors (the "Board") of Carriage Services, Inc. (the "Company") shall be to formulate the overall investment policies of the Company, subject to approval by the Board, and establish investment guidelines in furtherance of those policies. The Committee shall oversee the Company's investment transactions, management, policies and guidelines, including establishment of investment benchmarks, review of investment performance and oversight of investment risk management exposure policies and guidelines.

II. COMPOSITION OF THE COMMITTEE

The members of the Investment Committee shall be elected to the Committee by the affirmative vote of a majority of the Board members, on the recommendation of the Corporate Governance Committee, annually or as necessary to fill vacancies in the interim. The Committee shall be comprised of one or more directors who are generally knowledgeable in investment and financial matters and will be independent directors under the criteria established by the NYSE, provided however, the CEO of the Company may be a member of the Committee regardless of his independence.. The Board shall designate one member of the Committee as its Chairperson. Vacancies on the Committee shall be filled by like vote of the Board at the next meeting of the Board following the occurrence of the vacancy or as soon thereafter as practicable. A member may be removed from the Committee at any time, with or without cause, by like vote of the Board.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall fix its own rules of procedure, which shall be consistent with the By-Laws of the Company and this Charter. The Committee shall establish a regular meeting schedule, which shall be at least two times annually or more frequently as circumstances require. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present. The Committee shall maintain minutes of its meetings and shall regularly report on its actions to the Board. The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any

law, regulation or listing standard to be exercised by the Committee as a whole. The Committee shall have access to any of the books and records of the Company that the Committee shall consider relevant to carrying out its duties and may require any officer or employee of the Company to attend meetings of the Committee and provide to it any information available to the Company relevant to the Committee's activities, except as the Board may otherwise direct.

IV. COMMITTEE RESPONSIBILITIES

The Committee shall have the following goals and responsibilities with respect to the Company's investment transactions, management, policies and guidelines:

a. Set investment policies (subject to approval of the Board) and guidelines, including policies and guidelines regarding asset classes, asset allocation ranges, and prohibited investments;

b. Review and approve annually policies and guidelines governing the Company's investment portfolio and monitor compliance with those policies;

c. Review and approve periodically any investment benchmarks or other measurement devices employed by the Company to monitor the performance of its investment portfolio;

d. Approve investment and reinvestment of the funds of the Company. The Committee may delegate investment functions to officers and employees of the Company, and to external investment managers;

e. Monitor the management of the funds by reviewing written reports from investment managers / consultants and by discussions with investment managers / consultants at Committee meetings that focus on the primary determinants of returns, including asset allocation and investment strategy;

f. Evaluate investment performance of the fund based on a comparison of actual returns with the Company's absolute return objective, and with such other benchmarks as the Board or Committee may from time to time select. The evaluation will take into account compliance with investment policies, guidelines and risk levels;

g. Monitor on an ongoing basis the performance of the Company's investment advisers and retain and terminate such advisers as it deems appropriate; and

h. Perform such other responsibilities regarding the Company's investment activities or policies or other matters as the Board may from time to time assign the Committee.

V. AUTHORITY, INVESTIGATIONS, STUDIES AND USE OF OUTSIDE ADVISERS

a. The Committee shall have the authority to (i) approve a written Investment Policy prepared by the Chief Executive Officer, (ii) review the performance of the Company's investment managers, (iii) review management's procedures to cause the investment portfolio to

be in compliance with the Investment Policy, and (iv) such other powers as may be delegated to it from time to time by the Board.

b. The Committee shall have the authority to retain, at the Company's expense, special legal, accounting or other independent consultants and counsel to advise the Committee. The Chief Executive Officer and the Committee shall each have the authority to retain or terminate any consultant or advisor retained at the direction of the Committee or the Company's Chief Executive Officer to assist the Committee in carrying out its responsibilities, including authority to approve the fees or other compensation, and other retention terms, of such consultant or advisor, such fees or other compensation to be borne by the Company.

c. The Committee may request any other director, officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

d. The Committee may form and delegate authority to subcommittees when appropriate.

e. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities,

VI. EVALUATION OF THE COMMITTEE'S PERFORMANCE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information received by the Committee and presented by the Committee to the Board, and the adequacy of the Committee's deliberations regarding the matters reported to and acted upon by the Committee and of the deliberations of the Board regarding the matters reported to and recommended to the Board by the Committee. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.