

Carriage Services, Inc.

STOCK OWNERSHIP GUIDELINES

I. Purpose

The purpose of Carriage Services, Inc.'s (the "Company") Stock Ownership Guidelines (the "Guidelines") is to align the interests of Company officers, executives and management team with the interests of shareholders and further promote the Company's longstanding commitment to the creation of long-term shareholder value.

II. Participation

The Guidelines shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to all current and future officers and members of the Operations and Strategic Growth Leadership Team ("OSGLT").

III. Determination of Guidelines

Company stock ownership guideline for each individual will be determined as a multiple of the individual's base salary and then converted to a fixed number of shares. Individual guidelines are established for each individual as follows:

- The individual's base salary is multiplied by the appropriate multiple:
 - 5x for Chairman of the Board/Chief Executive Officer
 - 3x for President
 - 2x for Regional Partners
 - 1x for all other officers and OSGLT members
- That product is divided by the Company's prior 365-day average closing common stock price as reported by the New York Stock Exchange
- That amount is then rounded to the nearest 100 shares

Individual guidelines will be established based upon the base salary of the individual officer or OSGLT member at the time the individual becomes subject to the Guidelines and the Company's average closing common stock price for the prior 365-day period. Once established, as long as the covered individual remains in his or her position, the ownership guideline for such individual does not change as a result of changes in his or her base salary or normal fluctuations in the Company's common stock price. However, these Guidelines may be amended at any time, with notification to the participants of changes that impact their individual ownership guideline.

IV. Counting Shares Owned

Stock that counts towards satisfaction of the Guidelines includes:

- Shares owned outright by the officer or his or her immediate family members residing in the same household;

- Stock held in the Company's Employee Stock Purchase Plan;
- Unvested time-based restricted shares or units;
- Stock acquired upon the reinvestment of dividends; and
- Shares held in trust. (Due to the complexities of trust accounts, requests to include shares held in trust must be submitted in writing to the Vice President of Human Resources. The Vice President of Human Resources will review the request and will make the final decision.)

V. Holding Requirements

Employees who hold an officer position or are members of OSGLT at the time these Guidelines are adopted are expected to achieve their stock ownership guideline by December 31, 2020. If an individual's stock ownership guideline increases because of a change in duties, the individual has a three-year period to achieve the incremental guideline. The three-year period begins in January following the year of the job change. A new officer or member of OSGLT named after the adoption of these guidelines has a five-year period to achieve the stock ownership guideline. The five-year period begins in January following the year the individual is named to his or her position.

Until the individual's guideline is achieved, the individual is expected to retain at least 50% of the net profit shares delivered through the Company's compensation plans. Net profit shares refer to those shares that remain after payment of any exercise price and taxes owed at the exercise of stock options, vesting of restricted stock or units, or earn out of performance shares.

Until the individual's guideline is achieved, shares that were acquired by such individual, including those shares acquired before he or she became subject to the Guidelines, should only be disposed of for good reason, in accordance with the examples set forth below in this Section V and only upon compliance with these procedures.

The existence of a good reason exception does not affect the expectation that the individual will meet his or her stock ownership guideline within the established time period. Examples of good reason exceptions that may be recognized include, but not limited to the following:

- Estate planning including diversification of assets after age 62
- Gifts to charity
- Education
- Purchase of primary residence
- Complying with a court order, such as in the case of a divorce settlement
- Any other good reason provided by the individual that has been approved by the Company.

If an individual who has not met the ownership guideline is unable to meet the retention requirement for existing or prospective shares due to good reason, the individual should submit a written notification to the Vice President of Human Resources. This notification should include the requested reason, the current status with respect to the individual's stock ownership guideline, a description of the stock transaction being executed and the individual's future plan to meet the intent of the Guidelines. The individual will be advised if the transaction is deemed to fall within the intent of the Guidelines.

Once achieved, ownership of the guideline amount of stock should be maintained for as long as the individual is subject to the Guidelines. Once the stock ownership guideline is achieved, the retention ratio no longer applies unless the individual's ownership falls below the guideline, at which point the retention requirement will be reinstated.

VI. Reporting

Officers and members of the OSGLT will periodically receive a summary of their credited holdings for verification of their status relative to their individual stock ownership guideline. In addition, any individual who has satisfied his or her stock ownership guideline should notify the Vice President of Human Resources if at any subsequent time his or her ownership of Company's stock falls below the individual's guideline.

VII. Administration

The Guidelines are administered and interpreted by the Vice President of Human Resources.

VIII. Disclaimer

These Guidelines are a statement of Company policy and are not intended to change or interpret any federal, state or bylaws of the Company. These guidelines shall be reviewed periodically and adjustments may be made to reflect changes due to factors such as the current price of the Company's common stock, trends in corporate governance or any other factor that may impact the policy. Therefore, these Guidelines may be amended, modified or terminated at any time, without prior notice. The existence of these Guidelines does not create an employment contract and does not give any employee any right to be retained in the services of the Company.

Effective 1/11/16
Revised 3/10/16