

CARRIAGE SERVICES, INC.
RELATED PARTY TRANSACTIONS REVIEW POLICY AND
PROCEDURES

(Revised and Effective October 26, 2022)

POLICY STATEMENT

The Board of Directors (the “**Board**”) of Carriage Services, Inc. and its subsidiaries (the “**Company**”) recognizes that Related Party Transactions (as defined below) can present a heightened risk of potential or actual conflicts of interest and may create the appearance that Company decisions are based on consideration other than the best interests of the Company and its shareholders. As a result, the Board prefers to avoid Related Party Transactions as a general matter. Nevertheless, the Board recognizes that there are situations where Related Party Transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders, including but not limited to situations where the Company may obtain products or of a nature, quality or quantity on terms that are not readily available from alternative sources or when the Company provides products or services to Related Persons (defined below) on an arm’s length basis on terms comparable to those provided to unrelated third parties. Consequently, the Board has adopted this Related Party Transactions Review Policy and Procedure (the “**Policy**”) to assist it in reviewing, approving, and ratifying Related Party Transactions in accordance with the procedures set forth below. The Board has designated the Audit Committee (the “**Committee**”) to review all Related Party Transactions on behalf of the Board.

The Committee may review this Policy from time to time and recommend amendments for consideration by the Board.

Information with respect to Related Party Transactions, including the material features of this Policy, is required to be disclosed in the Company’s applicable filings as required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. This shall include the Company’s annual report on Form 10-K, or the Company’s proxy or information statement for its annual meetings of shareholders.

Definitions

For purposes of this Policy, the following definitions apply:

“**Immediate Family Member**” of a Related Party means any spouse, parent, stepparent, child, stepchild, sibling, mother- or father-in-law, son- or daughter-in-law, or brother- or sister-in-law of the Related Party, or anyone residing in the Related Party’s home (other than a tenant or an employee).

“**Related Party**” or “**Related Parties**” means:

1. any person who is or was a director, executive officer, or nominee for director of the Company at any time since the beginning of the Company’s last fiscal year;
2. an Immediate Family Member of any such director, executive officer, or nominee for director of the Company at any time since the beginning of the Company’s last fiscal year;

3. any person who, at the time of the occurrence or existence of the transaction is the beneficial owner of more than 5% of any class of the Company's voting securities (a "**Significant Stockholder**"); or
4. any person who, at the time of the occurrence or existence of the transaction, is an "immediate family member" of a Significant Stockholder of the Company.

"Related Party Transaction" means any financial transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which:

1. the aggregate amount involved will or may be expected to exceed \$120,000 since the beginning of the Company's last completed fiscal year,
2. the Company or any of its subsidiaries is a participant, and
3. any Related Party has or will have a direct or indirect material interest.

A "direct or indirect material interest" depends on the individual facts and circumstances of the transaction, relationship, arrangement or series thereof. Since potentially difficult and complex materiality determinations may arise, this Policy requires that all direct or indirect interests of each director, executive officer, or nominee for director in any proposed transaction be reported to the General Counsel and evaluated by the General Counsel. The question of whether the transaction, relationship, arrangement or series thereof amounts to a material interest will be determined by the General Counsel. Directors, executive officers, and nominees for director must not make their own materiality judgments about transactions.

Identifying a Related Party

On an annual basis, each director and executive officer will complete a questionnaire for the General Counsel which is designed in part to capture information needed to identify related persons.

A person who is nominated or proposed for election as a director or an executive officer will complete a questionnaire as soon as practical after his or her nomination as a director or proposal for appointment as an executive officer.

Directors and executive officers will notify the General Counsel of any updates to the questionnaire, including the list of related parties, their employment, relationships with charitable or other organizations, and new business affiliations and changes with regard to immediate family members (such as those resulting from marriage).

The General Counsel or his designee will maintain a master list of each Related Party and will distribute the list as necessary. The recipients of the master list should utilize the information contained therein, in connection with their respective business units, departments and areas of responsibility, to effectuate this Policy.

Review Procedures

Notification of Related Party Transaction. Prior to entering into a Related Party Transaction, or as soon as is practicable if the transaction is already existing, the Related Party must promptly inform the General Counsel of any Related Party Transaction(s) where the amount involved is more than \$120,000 or, even if the amount involved is less than \$120,000, if the Related Party should reasonably believe that the transaction(s) could create the appearance of a conflict of interest or otherwise could be viewed as not being in the best interests of the Company and its shareholders.

Information Required Regarding a Transaction. The information that should be provided to the General Counsel should include:

1. the name of the Related Party's relationship to the Company and the Related Party's interest in the transaction(s), including its position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s);
2. a general description of the transaction(s), including the material terms and conditions;
3. the monetary value of the transaction(s), and the monetary value of the Related Party's interest in the transaction(s) without regard to amount of profit or loss;
 - (a) in the case of a lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments made or expected to be made; or
 - (b) in the case of indebtedness, the largest aggregate amount of principal outstanding or to be outstanding and the rate or amount of interest to be payable on such indebtedness;
4. the benefits to the Company of the proposed transaction; and
5. any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

Determination of Related Party Transaction; Submission for Approval. The General Counsel will review the provided information and determine whether the transaction(s) is a Related Party Transaction for purposes of this Policy and may meet with the relevant persons or Company business leaders, as may be necessary, to confirm and supplement the information provided. Any transaction(s) determined to be a Related Party Transaction will be submitted for review and approval to disinterested members of the Committee for consideration at its next scheduled meeting. If the General Counsel, in consultation with the Chief Executive Officer or the Chief Financial Officer, determines that it is not practical for the Company to wait until the next Committee meeting, the Chair of the Committee has the authority to act between Committee meetings unless the Chair of the Committee is a Related Party in the Related Party Transaction.

Pre-Approved Related Party Transactions

The Committee has reviewed the types of Related Party Transactions described below and determined that each of the following Related Party Transactions is deemed to have been reviewed in advance and pre-approved by the Committee, even if the aggregate amount involved will exceed \$120,000.

1. Employment of Executive Officers. Any employment by the Company of, or compensation of, an executive officer of the Company if, (i) the compensation is reported pursuant to Item 402 of Regulation S-K, or (ii) (A) the executive officer is not an Immediate Family Member of another executive officer, director or principal security holder of the Company, (B) the compensation would have been reported under Item 402 as compensation earned for services to the Company if the executive officer was a named executive officer, as defined in Item 402(a)(3) of Regulation S-K, and (C), the Company's Compensation Committee has approved (or recommended that the Board approve) the compensation of such executive officer.
2. Director Compensation. Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402(k) of Regulation S-K.
3. Certain Charitable Contributions. Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation, or university, at which a Related Party's only relationship is as an employee or director, if the aggregate amount involved does not exceed the greater of \$500,000 per year.
4. Certain Transactions with Other Companies. Any transaction, arrangement, or relationship with another company where the Related Party's interest arises solely from his or her status as a director of such company or a beneficial owner of less than 10% of such company's equity interests (or both).
5. Transactions Where All Shareholders Receive Proportional Benefits. Any transaction, arrangement, or relationship where the Related Party's interest arises solely from the ownership of the Company's common stock, and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g., dividends or stock splits).
6. Regulated Transactions. Any transaction, arrangement, or relationship with a Related Party where the rates or charges are determined by competitive bids, or the transaction involves rendering services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
7. Certain Banking-Related Services. Any transactions, arrangements or relationships with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Interpretation

This Policy is intended to augment and operate consistently with all other Company policies containing any code of conduct, code of ethics, or conflict of interest provisions, and should be interpreted and applied accordingly. If any provision of this Policy should violate or conflict with any existing or subsequently enacted law, rule, regulation, or other requirement to which the Company or its business is subject, such law, rule, regulation, or requirement will supersede and replace such provision until this Policy is revised to conform to such law, rule, regulation, or requirement.