

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2026**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: 1-11961

**CARRIAGE SERVICES, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

76-0423828  
(I.R.S. Employer  
Identification No.)

3040 Post Oak Boulevard, Suite 300  
Houston, Texas, 77056  
(Address of principal executive offices)  
(713) 332-8400

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$.01 per share	CSV	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's Common Stock, \$.01 par value per share, outstanding as of April 28, 2026 was 15,872,328.

CARRIAGE SERVICES, INC.

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**CARRIAGE SERVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited and in thousands, except per share data)

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Revenue:		
Service revenue	\$ 50,922	\$ 53,010
Property and merchandise revenue	45,892	45,586
Other revenue	9,306	8,473
Total revenue	106,120	107,069
Field costs and expenses:		
Cost of service	24,447	24,577
Cost of merchandise	32,014	32,609
Cemetery property amortization	1,995	1,828
Field depreciation expense	3,408	3,322
Regional and unallocated funeral and cemetery costs	4,391	5,235
Other expenses	1,225	1,656
Total field costs and expenses	67,480	69,227
Gross profit	38,640	37,842
Corporate costs and expenses:		
General, administrative, and other	13,085	12,048
Net loss (gain) on divestitures and impairment charges	278	(5,770)
Operating income	25,277	31,564
Interest expense	6,884	7,298
Other, net	(6)	(1,988)
Income before income taxes	18,399	26,254
Expense for income taxes	5,163	8,191
Benefit related to discrete income tax items	(256)	(2,863)
Total expense for income taxes	4,907	5,328
Net income	\$ 13,492	\$ 20,926
Basic earnings per common share:	\$ 0.86	\$ 1.35
Diluted earnings per common share:	\$ 0.84	\$ 1.34
Dividends declared per common share:	\$ 0.1125	\$ 0.1125
Weighted average number of common and common equivalent shares outstanding:		
Basic	15,568	15,243
Diluted	15,779	15,389

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited and in thousands, except share data)

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,908	\$ 1,688
Accounts receivable, net	42,171	40,647
Inventories	7,739	7,763
Prepaid and other current assets	4,311	5,978
Current assets held for sale	9	—
Total current assets	57,138	56,076
Preneed cemetery trust investments	111,407	109,152
Preneed funeral trust investments	115,482	115,416
Preneed cemetery receivables, net	66,648	67,055
Receivables from preneed funeral trusts, net	16,126	16,255
Property, plant, and equipment, net	285,045	286,810
Cemetery property, net	114,603	115,645
Goodwill	427,718	427,897
Intangible and other non-current assets, net	44,136	43,607
Operating lease right-of-use assets	11,868	12,045
Cemetery perpetual care trust investments	97,434	95,625
Non-current assets held for sale	713	322
Total assets	\$ 1,348,318	\$ 1,345,905
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of debt and lease obligations	\$ 4,562	\$ 4,296
Accounts payable	12,610	18,999
Accrued and other liabilities	32,426	33,922
Current liabilities held for sale	50	—
Total current liabilities	49,648	57,217
Long-term debt	522,281	528,335
Obligations under finance leases, net of current portion	9,174	9,339
Obligations under operating leases, net of current portion	10,030	10,538
Deferred preneed cemetery revenue	77,814	76,781
Deferred preneed funeral revenue	32,060	33,663
Deferred tax liability	56,734	55,409
Other long-term liabilities	1,168	1,854
Deferred preneed cemetery receipts held in trust	111,407	109,152
Deferred preneed funeral receipts held in trust	115,482	115,416
Care trusts' corpus	95,581	93,425
Total liabilities	1,081,379	1,091,129
Commitments and contingencies:		
Stockholders' equity:		
Common stock, \$0.01 par value; 80,000,000 shares authorized and 27,500,146 and 27,378,870 shares issued, respectively and 15,872,328 and 15,751,052 shares outstanding, respectively	275	274
Additional paid-in capital	237,209	238,539
Retained earnings	308,208	294,716
Treasury stock, at cost; 11,627,818 shares	(278,753)	(278,753)
Total stockholders' equity	266,939	254,776
Total liabilities and stockholders' equity	\$ 1,348,318	\$ 1,345,905

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited and in thousands)

	Three months ended March 31,	
	2026	2025
<b>Cash flows from operating activities:</b>		
Net income	\$ 13,492	\$ 20,926
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,955	5,401
Provision for credit losses	936	1,074
Stock-based compensation expense	2,096	1,753
Deferred income tax expense	1,325	2,464
Amortization of intangibles	320	335
Amortization of debt issuance costs	128	127
Amortization and accretion of debt	146	138
Net loss (gain) on divestitures and impairment charges	227	(5,770)
Net gain on sale of excess real property	—	(1,988)
<b>Changes in operating assets and liabilities that provided (used) cash:</b>		
Accounts and preneed receivables	(2,061)	(2,585)
Inventories, prepaid, and other current assets	1,713	(537)
Intangible and other non-current assets	(1,163)	(633)
Preneed funeral and cemetery trust investments	(1,847)	(8,005)
Accounts payable	(6,720)	(2,840)
Accrued and other liabilities	(1,402)	(3,544)
Deferred preneed funeral and cemetery revenue	(570)	(1,534)
Deferred preneed funeral and cemetery receipts held in trust	2,323	9,010
Net cash provided by operating activities	14,898	13,792
<b>Cash flows from investing activities:</b>		
Capital expenditures	(3,896)	(3,163)
Proceeds from divestitures and sale of other assets	16	18,660
Net cash (used in) provided by investing activities	(3,880)	15,497
<b>Cash flows from financing activities:</b>		
Borrowings from the credit facility	29,400	7,100
Payments against the credit facility	(35,600)	(24,100)
Payments on acquisition debt and obligations under finance leases	(114)	(148)
Proceeds from the exercise of stock options and employee stock purchase plan contributions	360	688
Taxes paid on restricted stock, performance award vestings, and exercise of stock options	(2,072)	(7,629)
Dividends paid on common stock	(1,772)	(1,722)
Net cash used in financing activities	(9,798)	(25,811)
Net increase in cash and cash equivalents	1,220	3,478
Cash and cash equivalents at beginning of period	1,688	1,165
Cash and cash equivalents at end of period	\$ 2,908	\$ 4,643
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest and financing costs	\$ 2,240	\$ 2,705
Cash paid for income taxes	167	1,475

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**CARRIAGE SERVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(unaudited and in thousands)

<b>Three months ended March 31, 2026</b>						
	Shares Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total
<b>Balance - December 31, 2025</b>	15,751	\$ 274	\$ 238,539	\$ 294,716	\$ (278,753)	\$ 254,776
Net income	—	—	—	13,492	—	13,492
Issuance of common stock from employee stock purchase plan	10	—	360	—	—	360
Issuance of common stock to directors and board advisor	1	—	63	—	—	63
Issuance of restricted common stock	110	1	(1)	—	—	—
Exercise of stock options	45	—	—	—	—	—
Restricted common stock, performance awards, and stock options surrendered for taxes paid	(46)	—	(2,072)	—	—	(2,072)
Stock-based compensation expense	—	—	2,033	—	—	2,033
Dividends on common stock (\$0.1125 per share)	—	—	(1,772)	—	—	(1,772)
Other	1	—	59	—	—	59
<b>Balance - March 31, 2026</b>	<u>15,872</u>	<u>\$ 275</u>	<u>\$ 237,209</u>	<u>\$ 308,208</u>	<u>\$ (278,753)</u>	<u>\$ 266,939</u>

<b>Three months ended March 31, 2025</b>						
	Shares Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total
<b>Balance - December 31, 2024</b>	15,254	\$ 269	\$ 243,825	\$ 243,209	\$ (278,753)	\$ 208,550
Net income	—	—	—	20,926	—	20,926
Issuance of common stock from employee stock purchase plan	11	—	367	—	—	367
Issuance of common stock to directors and board advisor	2	—	77	—	—	77
Issuance of common stock	271	3	(3)	—	—	—
Issuance of restricted common stock	115	1	(1)	—	—	—
Exercise of stock options	77	—	321	—	—	321
Restricted common stock, performance awards, and stock options surrendered for taxes paid	(49)	—	(7,629)	—	—	(7,629)
Stock-based compensation expense	—	—	1,676	—	—	1,676
Dividends on common stock (\$0.1125 per share)	—	—	(1,722)	—	—	(1,722)
Other	12	—	496	—	—	496
<b>Balance - March 31, 2025</b>	<u>15,693</u>	<u>\$ 273</u>	<u>\$ 237,407</u>	<u>\$ 264,135</u>	<u>\$ (278,753)</u>	<u>\$ 223,062</u>

The accompanying condensed notes are an integral part of these Condensed Consolidated Financial Statements.

**1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***The Company*

Carriage Services, Inc. (“Carriage,” the “Company,” “we,” “us,” or “our”) is a leading provider of funeral and cemetery services and merchandise in the United States (“U.S.”). Our operations are reported in two business segments: Funeral Home Operations, which currently accounts for approximately 68% of our total revenue and Cemetery Operations, which currently accounts for approximately 32% of our total revenue. At March 31, 2026, we operated 155 funeral homes in 24 states and 28 cemeteries in 9 states.

Our funeral home operations are principally service businesses that generate revenue from sales of burial and cremation services and related merchandise, such as caskets and urns. Funeral services include consultation, the removal and preparation of remains, the sale of caskets and related funeral merchandise, the use of funeral home facilities for visitation and memorial services and transportation services. We provide funeral services and products on both an “atneed” (time of death) and “preneed” (planned prior to death) basis.

Our cemetery operations generate revenue primarily through sales of cemetery interment rights (primarily grave sites, lawn crypts, mausoleum spaces and niches), related cemetery merchandise (such as memorial markers, outer burial containers and monuments) and services (interments, inurnments and installation of cemetery merchandise). We provide cemetery services and products on both an atneed and preneed basis.

*Principles of Consolidation and Interim Condensed Disclosures*

Our unaudited Condensed Consolidated Financial Statements include the Company and its subsidiaries. All intercompany balances and transactions have been eliminated. Our interim Condensed Consolidated Financial Statements are unaudited, but include all adjustments, which consist of normal, recurring accruals, that are necessary for a fair presentation of our financial position and results of operations as of and for the interim periods presented.

There have been no material changes in our accounting policies previously disclosed in Part II, Item 8 “Financial Statements and Supplementary Data” in Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2025. In addition, our unaudited Condensed Consolidated Financial Statements have been prepared in a manner consistent with the accounting principles described in our Annual Report on Form 10-K for the year ended December 31, 2025, unless otherwise disclosed herein, and should be read in conjunction therewith.

*Use of Estimates*

The preparation of our Consolidated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, we evaluate our critical estimates and judgments, which include those related to the impairment of goodwill and the fair value measurements used in business combinations. These policies are considered critical because they may result in fluctuations in our reported results from period to period due to significant judgments, estimates and assumptions about complex and inherently uncertain matters and because the use of different judgments, assumptions or estimates could have a material impact on our financial condition or results of operations. Actual results may differ from these estimates and such estimates may change if the underlying conditions or assumptions change. Historical performance should not be viewed as indicative of future performance because there can be no assurance the margins, operating income and net earnings, as a percentage of revenue, will be consistent from period to period.

*Cash and Cash Equivalents*

We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

*Inventory*

Inventory consists primarily of caskets, outer burial containers and cemetery monuments and markers and is recorded at the lower of its cost basis or net realizable value. Inventory is relieved using specific identification in fulfillment of performance obligations on our contracts.

*Held for Sale*

The Company classifies assets and liabilities (disposal groups) to be sold as held for sale (“HFS”) in the period in which all of the following criteria are met: (1) management, having the authority to approve the action, commits to a plan to sell the disposal group; (2) the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups; (3) an active program to locate a buyer and other actions required to complete

the plan to sell the disposal group have been initiated; (4) the sale of the disposal group is probable, and transfer of the disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond the Company's control extend the period of time required to sell the disposal group beyond one year; (5) the disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (6) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The Company initially measures a disposal group that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a disposal group until the date of sale. The Company assesses the fair value of a disposal group, less any costs to sell, each reporting period it remains classified as held for sale and reports any subsequent changes as an adjustment to the carrying value of the disposal group, as long as the new carrying value does not exceed the carrying value of the disposal group at the time it was initially classified as held for sale. Additionally, depreciation is not recorded during the period in which the long-lived assets, included in the disposal group, are classified as held for sale.

Upon determining that a disposal group meets the criteria to be classified as held for sale, the Company reports the assets and liabilities of the disposal group, if material, in the line items current and non-current assets held for sale and current and long-term liabilities held for sale in the Condensed Consolidated Balance Sheets.

Held for sale balances on our Condensed Consolidated Balance Sheets primarily consist of \$0.5 million and \$0.2 million of property, plant and equipment and goodwill, respectively, at March 31, 2026, and \$0.3 million property, plant and equipment at December 31, 2025.

#### *Income Taxes*

Income tax expense for interim periods is based on the estimated annual effective tax rate, adjusted for discrete items recognized in the period incurred, such as tax return filings, tax audit settlements, statute expirations, and changes in valuation allowances. Our effective tax rate before discrete items was 28.1% and 31.2% for the three months ended March 31, 2026 and 2025, respectively. Income tax expense including discrete items was \$4.9 million and \$5.3 million for the three months ended March 31, 2026 and 2025, respectively.

## **2. RECENTLY ISSUED ACCOUNTING STANDARDS**

### **Accounting Pronouncements Not Yet Adopted**

#### *Expense Disaggregation*

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures*. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The standard provides guidance to expand disclosures related to the disaggregation of income statement expenses. The amendments in this update require, in the notes to the financial statements, disclosure of specified information about certain costs and expenses, which includes purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, on a retrospective or prospective basis, with early adoption permitted. We expect the adoption will have no material impact on our condensed consolidated financial statements as it modifies disclosure requirements only.

#### *Internal-Use Software*

In September 2025, the FASB issued ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. Under the new guidance, costs associated with software developed for internal use will now be capitalized when management authorizes a project and when it is probable the project will be completed and used to perform the function intended, rather than when a project reaches the application development stage under existing guidance. The guidance is effective beginning January 1, 2028, with early adoption permitted, and can be applied prospectively, retrospectively, or on a modified retrospective basis. We have not determined the transition method, timing for adoption, or estimated the effect on our condensed consolidated financial statements.

## **3. SEGMENT REPORTING**

Our Chief Operating Decision Maker (the "CODM"), who is the Chief Executive Officer, utilizes segment adjusted operating profit for resource allocation across segments, particularly during the annual budgeting and forecasting processes. The CODM examines variances on a monthly basis to make informed decisions regarding capital and personnel distribution among segments. Additionally, the CODM employs segment gross profit for product pricing evaluation and uses segment

adjusted operating profit to assess each segment's performance by comparing results and return on assets against expected outcomes. The CODM does not review disaggregated assets by segment; therefore assets by segment is not provided.

The tables below present revenue, disaggregated by major source for each of our reportable segments, as well as, significant segment expenses, other segment expenses, operating income (loss), depreciation and amortization, regional and unallocated funeral and cemetery costs, and gross profit by segment as follows: (in thousands) for the three months ended March 31, 2026 and 2025, respectively:

Three months ended, March 31, 2026	Funeral	Cemetery	Total
<b>Revenue</b>			
Services	\$ 45,492	\$ 5,430	\$ 50,922
Merchandise	20,513	4,165	24,678
Cemetery property	—	21,214	21,214
Other revenue	5,709	3,597	9,306
Total revenue	71,714	34,406	106,120
<b>Less:</b>			
Salaries, benefits, and commission expenses	17,873	10,134	28,007
Cost of merchandise	5,592	2,001	7,593
Allocated overhead costs <sup>(1)</sup>	2,959	1,161	4,120
Facilities and grounds expenses	3,071	1,251	4,322
General and administrative expenses <sup>(2)</sup>	3,429	1,053	4,482
Other segment expenses <sup>(3)</sup>	7,192	1,970	9,162
Adjusted operating profit <sup>(4)</sup>	\$ 31,598	\$ 16,836	\$ 48,434
<b>Reconciliation of Adjusted operating profit to Gross profit</b>			
Cemetery property amortization	\$ —	\$ 1,995	\$ 1,995
Field depreciation expense	2,886	522	3,408
Regional and unallocated funeral and cemetery costs	2,331	2,060	4,391
<b>Gross profit</b>	<b>\$ 26,381</b>	<b>\$ 12,259</b>	<b>\$ 38,640</b>
<b>Corporate costs and expenses:</b>			
General and administrative expenses			\$ 13,085
Net loss on divestitures and impairment charges			278
Operating income			\$ 25,277
Interest expense			\$ 6,884
Other, net			(6)
Income before income taxes			\$ 18,399

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

Three months ended March 31, 2025	Funeral	Cemetery	Total
<b>Revenue</b>			
Services	\$ 47,949	\$ 5,061	\$ 53,010
Merchandise	21,556	4,039	25,595
Cemetery property	—	19,991	19,991
Other revenue	5,114	3,359	8,473
Total revenue	74,619	32,450	107,069
<b>Less:</b>			
Salaries, benefits, and commission expenses	17,977	9,919	27,896
Cost of merchandise	6,270	1,826	8,096
Allocated overhead costs <sup>(1)</sup>	3,227	1,331	4,558
Facilities and grounds expenses	2,929	1,205	4,134
General and administrative expenses <sup>(2)</sup>	3,021	895	3,916
Other segment expenses <sup>(3)</sup>	8,016	2,226	10,242
Adjusted operating profit <sup>(4)</sup>	\$ 33,179	\$ 15,048	\$ 48,227
<b>Reconciliation of Adjusted operating profit margin to Gross profit</b>			
Cemetery property amortization	\$ —	\$ 1,828	\$ 1,828
Field depreciation expense	2,826	496	3,322
Regional and unallocated funeral and cemetery costs	3,150	2,085	5,235
<b>Gross profit</b>	<b>\$ 27,203</b>	<b>\$ 10,639</b>	<b>\$ 37,842</b>
<b>Corporate costs and expenses:</b>			
General and administrative expenses			\$ 12,048
Net loss on divestitures and impairment charges			(5,770)
Operating income			\$ 31,564
Interest expense			\$ 7,298
Other, net			(1,988)
Income before income taxes			\$ 26,254

(1) Allocated overhead costs include: property insurance costs, property tax expenses, and corporate overhead fees allocated to the field, such as information technology, human resources, legal, and finance.

(2) General and administrative expenses include: professional services, travel and meals expenses, computer software expenses, and office supplies.

(3) Other segment expenses primarily include transportation costs, other funeral costs, and non-payroll related promotional costs.

(4) During the first quarter of 2026, the Company changed its measure of segment profit from segment operating income to segment adjusted operating profit. The change reflects how management now evaluates segment performance and allocates resources. The change primarily relates to the exclusion of depreciation, amortization, and certain corporate allocations. Prior-period amounts have been recast for comparability.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. EARNINGS PER SHARE

The following table sets forth the computation of the basic and diluted earnings per share (in thousands, except per share data):

	Three months ended March 31,	
	2026	2025
<b>Numerator for basic and diluted earnings per share:</b>		
Net income	\$ 13,492	\$ 20,926
Less: Earnings allocated to unvested restricted stock	(182)	(347)
Income attributable to common stockholders	<u>\$ 13,310</u>	<u>\$ 20,579</u>
<b>Denominator:</b>		
Denominator for basic earnings per common share – weighted average shares outstanding	15,568	15,243
Effect of dilutive securities:		
Stock options	211	146
Denominator for diluted earnings per common share – weighted average shares outstanding	<u>15,779</u>	<u>15,389</u>
Basic earnings per common share:	<u>\$ 0.86</u>	<u>\$ 1.35</u>
Diluted earnings per common share:	<u>\$ 0.84</u>	<u>\$ 1.34</u>

Stock options excluded from the computation of diluted earnings per share because the inclusion of such stock options would result in an antidilutive effect are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Antidilutive stock options	218	189 X

5. GOODWILL

Many of the former owners and staff of our acquired funeral home and cemetery businesses have provided high quality service to families for generations, which often represents a substantial portion of the value of a business. The excess of the purchase price over the fair value of identifiable net assets of acquired funeral home and cemetery businesses is recorded as goodwill.

The following table presents changes in goodwill in the accompanying Consolidated Balance Sheets (in thousands):

	March 31, 2026	December 31, 2025
Goodwill at the beginning of the period	\$ 427,897	\$ 414,859
Increase in goodwill related to acquisitions	—	37,746
Decrease in goodwill related to divestitures	—	(24,708)
Decrease in goodwill related to assets held for sale	(179)	—
Goodwill at the end of the period	<u>\$ 427,718</u>	<u>\$ 427,897</u>

During the three months ended March 31, 2026, we allocated \$0.2 million of goodwill to assets held for sale in our funeral home segment.

During the three months ended March 31, 2025, we allocated \$4.2 million of goodwill to the sale of two funeral homes and three cemeteries which was recorded in *Net loss (gain) on divestitures and impairment charges* on our Condensed Consolidated Statements of Operations, of which \$2.6 million was allocated to our funeral home segment and \$1.6 million was allocated to our cemetery segment.

During the first quarter of 2026, the Company implemented an executive leadership restructuring that resulted in changes to the manner in which certain operations are managed and reviewed. As a result of these changes, the Company reassessed its reporting unit structure in accordance with ASC 350, *Intangibles—Goodwill and Other*. The Company concluded that its previously identified reporting units within the funeral home segment no longer meet the definition of separate reporting units, as discrete financial information for those components is no longer regularly reviewed by management for purposes of resource allocation and performance assessment. Accordingly, the Company aggregated these components into a single reporting unit.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

This change did not affect the Company's operating segments as determined under ASC 280. The Company performed a qualitative assessment and concluded that it is not more likely than not that the fair value of the reporting unit is less than its carrying amount, and therefore no impairment charge was recognized.

**6. RECEIVABLES**

***Accounts Receivable***

Our funeral receivables are recorded in *Accounts receivable, net* and primarily consist of amounts due for funeral services already performed.

Atneed cemetery receivables and preneed cemetery receivables with payments expected to be received within one year from the balance sheet date are also recorded in *Accounts receivable, net*. Preened cemetery receivables with payments expected to be received beyond one year from the balance sheet date are recorded in *Preened cemetery receivables, net*.

Accounts receivable is comprised of the following (in thousands):

	<b>March 31, 2026</b>			
	<b>Funeral</b>	<b>Cemetery</b>	<b>Corporate</b>	<b>Total</b>
Trade and financed receivables	\$ 6,123	\$ 32,283	\$ —	\$ 38,406
Other receivables	910	3,573	1,864	6,347
Allowance for credit losses	(324)	(2,258)	—	(2,582)
Accounts receivable, net	<u>\$ 6,709</u>	<u>\$ 33,598</u>	<u>\$ 1,864</u>	<u>\$ 42,171</u>

	<b>December 31, 2025</b>			
	<b>Funeral</b>	<b>Cemetery</b>	<b>Corporate</b>	<b>Total</b>
Trade and financed receivables	\$ 7,369	\$ 31,267	\$ —	\$ 38,636
Other receivables	1,245	2,614	1,726	5,585
Allowance for credit losses	(363)	(3,211)	—	(3,574)
Accounts receivable, net	<u>\$ 8,251</u>	<u>\$ 30,670</u>	<u>\$ 1,726</u>	<u>\$ 40,647</u>

Other receivables include supplier rebates, commissions due from third-party insurance companies and perpetual care income receivables.

The following table summarizes the activity in our allowance for credit losses by portfolio segment for the three months ended March 31, 2026 (in thousands):

	<b>January 1, 2026</b>	<b>Provision for Credit Losses</b>	<b>Write Offs</b>	<b>Recoveries</b>	<b>March 31, 2026</b>
Trade and financed receivables:					
Funeral	\$ (363)	\$ (92)	\$ 335	\$ (204)	\$ (324)
Cemetery	(3,211)	(308)	1,261	—	(2,258)
Total allowance for credit losses on trade and financed receivables	<u>\$ (3,574)</u>	<u>\$ (400)</u>	<u>\$ 1,596</u>	<u>\$ (204)</u>	<u>\$ (2,582)</u>

***Cemetery Receivables***

Our cemetery receivables are comprised of the following (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Interment rights	\$ 101,755	\$ 99,741
Merchandise and services	17,666	17,761
Unearned finance charges	4,881	4,805
Cemetery receivables	<u>\$ 124,302</u>	<u>\$ 122,307</u>

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The components of our cemetery receivables are as follows (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Cemetery receivables	\$ 124,302	\$ 122,307
Less: unearned finance charges	(4,881)	(4,805)
Cemetery receivables, at amortized cost	\$ 119,421	\$ 117,502
Less: allowance for contract cancellation and credit losses	(5,959)	(5,812)
Less: balances due on undelivered cemetery preneed contracts	(16,789)	(16,579)
Less: amounts in accounts receivable	(30,025)	(28,056)
Preneed cemetery receivables, net	\$ 66,648	\$ 67,055

The following table summarizes the activity in our allowance for credit losses for *Preneed cemetery receivables, net* for the three months ended March 31, 2026 (in thousands):

	<b>January 1, 2026</b>	<b>Provision for Credit Losses</b>	<b>Write Offs</b>	<b>March 31, 2026</b>
Total allowance for credit losses on <i>Preneed cemetery receivables, net</i>	\$ (2,601)	\$ (536)	\$ (565)	\$ (3,702)

The amortized cost basis of our cemetery receivables by year of origination as of March 31, 2026 is as follows (in thousands):

	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>Prior</b>	<b>Total</b>
Total cemetery receivables, at amortized cost	\$ 19,451	\$ 49,590	\$ 30,204	\$ 12,323	\$ 5,806	\$ 2,047	\$ 119,421

The aging of past due cemetery receivables as of March 31, 2026 is as follows (in thousands):

	<b>31-60 Past Due</b>	<b>61-90 Past Due</b>	<b>91-120 Past Due</b>	<b>&gt;120 Past Due</b>	<b>Total Past Due</b>	<b>Current</b>	<b>Total</b>
Recognized revenue	\$ 3,065	\$ 1,242	\$ 786	\$ 5,945	\$ 11,038	\$ 91,594	\$ 102,632
Deferred revenue	521	190	222	2,758	3,691	17,979	21,670
Total contracts	\$ 3,586	\$ 1,432	\$ 1,008	\$ 8,703	\$ 14,729	\$ 109,573	\$ 124,302

**7. FAIR VALUE MEASUREMENTS**

We evaluated our financial assets and liabilities for those that met the criteria of the disclosure requirements and fair value framework. The carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate the fair values of those instruments due to the short-term nature of the instruments. The fair values of our receivables on preneed cemetery contracts are impracticable to estimate because of the lack of a trading market and the diverse number of individual contracts with varying terms. Our acquisition debt, Credit Facility, and Senior Notes (as defined in Note 10) are classified within Level 2 of the Fair Value Measurements hierarchy.

At March 31, 2026, the carrying value and fair value of our Credit Facility was \$120.5 million. We believe that our Credit Facility bears interest at a rate that approximates prevailing market rates for instruments with similar characteristics and therefore, the carrying value of our Credit Facility approximates fair value. We estimate the fair value of our acquisition debt utilizing an income approach, which uses a present value calculation to discount payments based on current market rates as of the reporting date. At March 31, 2026, the carrying value of our acquisition debt was \$6.2 million, which approximated its fair value. The fair value of our Senior Notes was \$380.3 million at March 31, 2026, based on the last traded or broker quoted price.

In addition, we have an investment in a limited partnership fund, whose fair value has been estimated using the net asset value per share practical expedient described in ASC 820-10-35-59, *Fair Value Measurement of Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* and therefore, has not been classified in the fair value hierarchy. The investment strategy of this fund is to generate attractive risk-adjusted returns over a multi-year performance period through the construction of a concentrated portfolio of investments possessing certain distinct business attributes that suggest the potential for long-term value creation. The value of the investments in this fund cannot be liquidated at March 31, 2026 because the investments include restrictions that do not allow for liquidation until 2027. As of March 31, 2026, we do not have an unfunded commitment for this investment.

Furthermore, we have nine investments in real estate debt and structured credit (“alternative investments”), whose fair value has been estimated using NAV and therefore, has not been classified in the fair value hierarchy. The investment strategy

for these alternative investments is to create capital growth, income generation, and risk-adjusted returns. Capital growth is achieved by identifying high-potential investments that are appreciated over time. Income generation may involve dividends, rental income, or interest from various investments. Risk-adjusted returns focus on balancing potential profits with acceptable levels of risk, often through diversification and careful asset allocation. The real estate debt is approximately 42% of the total alternative investment and can be liquidated with a 40-day notice period and cannot exceed 5% of the total fund's value. The structured credit is approximately 58% of the total alternative investment and can be liquidated with a 15-day notice period with no restrictions. As of March 31, 2026, we had approximately \$42.2 million in unfunded commitments for these investments.

We identified investments in fixed income securities, common stock, and mutual funds presented within the preneed and perpetual care trust investments categories on our Consolidated Balance Sheets as having met the criteria for fair value measurement. Our receivables from preneed funeral trusts represent assets in trusts, which are controlled and operated by third parties in which we do not have a controlling financial interest (less than 50%) in the trust assets. We account for these receivables at cost.

The following three-level valuation hierarchy based upon the transparency of inputs is utilized in the measurement and valuation of financial assets or liabilities as of the measurement date:

- Level 1—Fair value of securities based on unadjusted quoted prices for identical assets or liabilities in active markets. Our investments classified as Level 1 securities include cash, U.S. treasury debt, common stock and equity mutual funds;
- Level 2—Fair value of securities estimated based on quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation. These inputs include interest rates, yield curves, credit risk, prepayment speeds, rating and tax-exempt status. Our investments classified as Level 2 securities include U.S. agency obligations, foreign debt, corporate debt, preferred stocks, certificates of deposit and fixed income mutual funds and other investments.
- Level 3—Unobservable inputs based upon the reporting entity's internally developed assumptions, which market participants would use in pricing the asset or liability. As of March 31, 2026 and 2025, we did not have any assets that had fair values determined by Level 3 inputs and no liabilities measured at fair value.

See Notes 8 and 9 to our Condensed Consolidated Financial Statements for the fair value hierarchy levels of our trust investments.

## 8. TRUST INVESTMENTS

Preneed trust investments represent trust fund assets that we are generally permitted to withdraw as the services and merchandise are provided to customers. Preneed funeral and cemetery contracts are secured by payments from customers, less amounts not required by law to be deposited into trust. These earnings are recognized in *Other revenue* on our Consolidated Statements of Operations, when a service is performed or merchandise is delivered. Trust management fees charged by our wholly owned registered investment advisory firm are included as revenue in the period in which they are earned. Our investments are diversified across multiple industry segments using a balanced allocation strategy to minimize long-term risk. We do not intend to sell and it is likely that we will not be required to sell the securities prior to their anticipated recovery.

Cemetery perpetual care trust investments represent a portion of the proceeds from the sale of cemetery property interment rights that we are required by various state laws to deposit into perpetual care trust funds. The income earned from these perpetual care trusts offsets maintenance expenses for cemetery property and memorials. This trust fund income is recognized in *Other revenue*.

Changes in the fair value of our trust fund assets (*Preneed funeral, cemetery and perpetual care trust investments*) are offset by changes in the fair value of our trust fund liabilities (*Deferred preneed funeral and cemetery receipts held in trust and Care trusts' corpus*) and reflected in *Other, net*. There is no impact on earnings until such time the services are performed, or the merchandise is delivered, causing the contract to be withdrawn from the trust in accordance with state regulations and the gain or loss is allocated to the contract.

We rely on our trust investments to provide funding for the various contractual obligations that arise upon maturity of the underlying preneed contracts. Because of the long-term relationship between the establishment of trust investments and the required performance of the underlying contractual obligations, the impact of current market conditions that may exist at any given time is not necessarily indicative of our ability to generate profit on our future performance obligations.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

***Preneed Cemetery Trust Investments***

The components of *Preneed cemetery trust investments* on our Consolidated Balance Sheets are as follows (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Preneed cemetery trust investments, at market value	\$ 114,827	\$ 112,531
Less: allowance for contract cancellation	(3,420)	(3,379)
Preneed cemetery trust investments	<u>\$ 111,407</u>	<u>\$ 109,152</u>

The cost and market values associated with preneed cemetery trust investments at March 31, 2026, are detailed below (in thousands):

	<b>Fair Value Hierarchy Level</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Market Value</b>
Cash and money market accounts	1	\$ 15,724	\$ —	\$ —	\$ 15,724
Common stock	1	11,573	2,051	(1,671)	11,953
Limited partnership fund		3,471	439	1	3,911
Mutual funds:					
Equity	1	10,112	87	(1,103)	9,096
Fixed income	2	42,780	44	(419)	42,405
Alternative investments		30,351	285	(42)	30,594
Trust securities		<u>\$ 114,011</u>	\$ 2,906	\$ (3,234)	\$ 113,683
Accrued investment income		<u>\$ 1,144</u>			\$ 1,144
Preneed cemetery trust investments					<u>\$ 114,827</u>
Market value as a percentage of cost					<u>99.7 %</u>

The cost and market values associated with preneed cemetery trust investments at December 31, 2025 are detailed below (in thousands):

	<b>Fair Value Hierarchy Level</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Market Value</b>
Cash and money market accounts	1	\$ 15,653	\$ —	\$ —	\$ 15,653
Common stock	1	11,599	768	(1,709)	10,658
Limited partnership fund		3,496	—	(93)	3,403
Mutual funds:					
Equity	1	9,483	—	(279)	9,204
Fixed income	2	43,013	353	(50)	43,316
Alternative investments		29,380	374	(68)	29,686
Trust securities		<u>\$ 112,624</u>	\$ 1,495	\$ (2,199)	\$ 111,920
Accrued investment income		<u>\$ 611</u>			\$ 611
Preneed cemetery trust investments					<u>\$ 112,531</u>
Market value as a percentage of cost					<u>99.4 %</u>

There were no fixed income securities (excluding mutual funds) within our preneed cemetery trust investments in an unrealized loss position at March 31, 2026 and December 31, 2025.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Preneed cemetery trust investment security transactions recorded in *Other, net* on our Consolidated Statements of Operations are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Investment income	\$ 508	\$ 647
Realized gains	362	2,003
Realized losses	(82)	(1,603)
Unrealized gains (losses), net	(328)	855
Expenses and taxes	(652)	(224)
Net change in deferred preneed cemetery receipts held in trust	192	(1,678)
	<u>\$ —</u>	<u>\$ —</u>

Purchases and sales of investments in the preneed cemetery trusts are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Purchases	\$ (4,039)	\$ (3,506)
Sales	3,307	18,069

***Preneed Funeral Trust Investments***

Preneed funeral trust investments represent trust fund assets that we are permitted to withdraw as services and merchandise are provided to customers. Preneed funeral contracts are secured by payments from customers, less retained amounts not required to be deposited into trust.

The components of *Preneed funeral trust investments* on our Consolidated Balance Sheets are as follows (in thousands):

	March 31, 2026	December 31, 2025
Preneed funeral trust investments, at market value	\$ 119,033	\$ 118,993
Less: allowance for contract cancellation	(3,551)	(3,577)
Preneed funeral trust investments	<u>\$ 115,482</u>	<u>\$ 115,416</u>

The cost and market values associated with preneed funeral trust investments at March 31, 2026 are detailed below (in thousands):

	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Market Value
Cash and money market accounts	1	\$ 20,981	\$ —	\$ —	\$ 20,981
Fixed income securities:					
U.S agency obligations	2	306	—	(18)	288
Common stock	1	11,729	2,079	(1,694)	12,114
Limited partnership fund		3,518	446	—	3,964
Mutual funds:					
Equity	1	9,691	15	(1,117)	8,589
Fixed income	2	39,698	41	(399)	39,340
Other investments	2	1,701	—	—	1,701
Alternative investments		30,757	288	(42)	31,003
Trust securities		<u>\$ 118,381</u>	<u>\$ 2,869</u>	<u>\$ (3,270)</u>	<u>\$ 117,980</u>
Accrued investment income		<u>\$ 1,053</u>			<u>\$ 1,053</u>
Preneed cemetery trust investments					<u>\$ 119,033</u>
Market value as a percentage of cost					<u>99.7 %</u>

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The estimated maturities of the fixed income securities (excluding mutual funds) included above are as follows (in thousands):

Due in one year or less	\$ 98
Due in one to five years	91
Due in five to ten years	99
Thereafter	—
<b>Total fixed income securities</b>	<b>\$ 288</b>

The cost and market values associated with preneed funeral trust investments at December 31, 2025 are detailed below (in thousands):

	<b>Fair Value Hierarchy Level</b>	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Fair Market Value</b>
Cash and money market accounts	1	\$ 20,985	\$ —	\$ —	\$ 20,985
Fixed income securities:					
U.S agency obligations	2	306	—	(18)	288
Common stock	1	11,981	793	(1,765)	11,009
Limited partnership fund		3,611	—	(97)	3,514
Mutual funds:					
Equity	1	9,226	—	(276)	8,950
Fixed income	2	41,059	331	(48)	41,342
Other investments	2	1,724	—	—	1,724
Alternative investments		30,344	386	(70)	30,660
Trust securities		\$ 119,236	\$ —	\$ (2,274)	\$ 118,472
Accrued investment income		\$ 521			\$ 521
Preneed cemetery trust investments					\$ 118,993
Market value as a percentage of cost					99.4 %

The following table summarizes our fixed income securities (excluding mutual funds) within our preneed funeral trust investment in an unrealized loss position at March 31, 2026, aggregated by major security type and length of time in a continuous unrealized loss position (in thousands):

	<b>March 31, 2026</b>					
	<b>In Loss Position Less than 12 months</b>		<b>In Loss Position Greater than 12 months</b>		<b>Total</b>	
	<b>Fair market value</b>	<b>Unrealized Losses</b>	<b>Fair market value</b>	<b>Unrealized Losses</b>	<b>Fair market value</b>	<b>Unrealized Losses</b>
Fixed income securities:						
U.S agency obligations	\$ —	\$ —	\$ 288	\$ (18)	\$ 288	\$ (18)
<b>Total fixed income securities with an unrealized loss</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 288</b>	<b>\$ (18)</b>	<b>\$ 288</b>	<b>\$ (18)</b>

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The following table summarizes our fixed income securities (excluding mutual funds) within our preneed funeral trust investment in an unrealized loss position at December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position (in thousands):

	<b>December 31, 2025</b>					
	<b>In Loss Position Less than 12 months</b>		<b>In Loss Position Greater than 12 months</b>		<b>Total</b>	
	<b>Fair market value</b>	<b>Unrealized Losses</b>	<b>Fair market value</b>	<b>Unrealized Losses</b>	<b>Fair market value</b>	<b>Unrealized Losses</b>
Fixed income securities:						
U.S agency obligations	\$ —	\$ —	\$ 288	\$ (18)	\$ 288	\$ (18)
<b>Total fixed income securities with an unrealized loss</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 288</b>	<b>\$ (18)</b>	<b>\$ 288</b>	<b>\$ (18)</b>

Preneed funeral trust investment security transactions recorded in *Other, net* on our Consolidated Statements of Operations are as follows (in thousands):

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Investment income	\$ 399	\$ 473
Realized gains	367	1,927
Realized losses	(83)	(1,709)
Unrealized gains (losses), net	(401)	1,313
Expenses and taxes	(389)	(105)
Net change in deferred preneed funeral receipts held in trust	107	(1,899)
	<b>\$ —</b>	<b>\$ —</b>

Purchases and sales of investments in the preneed funeral trusts are as follows (in thousands):

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Purchases	\$ (3,738)	\$ (3,372)
Sales	3,352	17,359

***Cemetery Perpetual Care Trust Investments***

*Care trusts' corpus* on our Consolidated Balance Sheets represent the corpus of those trusts plus undistributed income. The components of *Care trusts' corpus* are as follows (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Cemetery perpetual care trust investments, at market value	\$ 97,434	\$ 95,625
Obligations due to (due from) trust	(1,852)	(2,200)
<b>Care trusts' corpus</b>	<b>\$ 95,582</b>	<b>\$ 93,425</b>

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The following table reflects the cost and market values associated with the trust investments held in perpetual care trust funds at March 31, 2026 (in thousands):

	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Market Value
Cash and money market accounts	1	\$ 8,331	\$ —	\$ —	\$ 8,331
Common stock	1	10,040	1,780	(1,450)	10,370
Limited partnership fund		3,011	382	—	3,393
Mutual funds:					
Equity	1	9,195	129	(956)	8,368
Fixed income	2	39,656	41	(376)	39,321
Alternative investments		26,331	247	(37)	26,541
Trust securities		\$ 96,564	\$ 2,579	\$ (2,819)	\$ 96,324
Accrued investment income		\$ 1,110			\$ 1,110
Preneed cemetery trust investments					\$ 97,434
Market value as a percentage of cost					99.8 %

The following table reflects the cost and market values associated with the trust investments held in perpetual care trust funds at December 31, 2025 (in thousands):

	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Market Value
Cash and money market accounts	1	\$ 8,800	\$ —	\$ —	\$ 8,800
Fixed income securities:					
Corporate debt	2	94	2	—	96
Common stock	1	10,527	1,028	(1,451)	10,104
Limited partnership fund		2,892	—	(77)	2,815
Mutual funds:					
Equity	1	9,271	216	(257)	9,230
Fixed income	2	39,229	319	(145)	39,403
Alternative investments		24,308	310	(57)	24,561
Trust securities		\$ 95,121	\$ 1,875	\$ (1,987)	\$ 95,009
Accrued investment income		\$ 616			\$ 616
Preneed cemetery trust investments					\$ 95,625
Market value as a percentage of cost					99.9 %

There were no fixed income securities (excluding mutual funds) within our perpetual care trust investment in an unrealized loss position at March 31, 2026 and December 31, 2025.

Perpetual care trust investment security transactions recorded in *Other, net* on our Consolidated Statements of Operations are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Realized gains	695	251
Realized losses	\$ (171)	\$ (201)
Unrealized gains (losses), net	(240)	688
Net change in care trusts' corpus	(284)	(738)
	\$ —	\$ —

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Perpetual care trust investment security transactions recorded in *Other revenue* are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Investment income	\$ 2,300	\$ 2,487
Realized losses	(429)	(672)
<b>Total</b>	<b>\$ 1,871</b>	<b>\$ 1,815</b>

Purchases and sales of investments in the perpetual care trusts are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Purchases	\$ (3,550)	\$ (3,122)
Sales	\$ 6,377	\$ 15,963

**9. RECEIVABLES FROM PRENEED FUNERAL TRUSTS**

Our receivables from preneed funeral trusts represent assets in trusts which are controlled and operated by third parties in which we do not have a controlling financial interest (less than 50%) in the trust assets. We account for these investments at cost. Receivables from preneed funeral trusts are as follows (in thousands):

	March 31, 2026	December 31, 2025
Preneed funeral trust funds, at cost	\$ 16,625	\$ 16,758
Less: allowance for contract cancellation	(499)	(503)
<b>Receivables from preneed funeral trusts, net</b>	<b>\$ 16,126</b>	<b>\$ 16,255</b>

The following summary reflects the composition of the assets held in trust and controlled by third parties to satisfy our future obligations related to the underlying preneed funeral contracts at March 31, 2026 and December 31, 2025. The cost basis includes reinvested interest and dividends that have been earned on the trust assets. Fair value includes unrealized gains and losses on trust assets.

The composition of the preneed trust funds at March 31, 2026, is as follows (in thousands):

	Historical Cost Basis	Fair Value
Cash and cash equivalents	\$ 2,258	\$ 2,258
Fixed income investments	10,990	10,990
Mutual funds and common stocks	3,373	3,227
Annuities	4	4
<b>Total</b>	<b>\$ 16,625</b>	<b>\$ 16,479</b>

The composition of the preneed trust funds at December 31, 2025, is as follows (in thousands):

	Historical Cost Basis	Fair Value
Cash and cash equivalents	\$ 2,220	\$ 2,220
Fixed income investments	11,108	11,108
Mutual funds and common stocks	3,426	3,306
Annuities	4	4
<b>Total</b>	<b>\$ 16,758</b>	<b>\$ 16,638</b>

**10. LONG TERM DEBT**

Our long-term debt consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Senior Notes	\$ 397,505	\$ 397,319
Credit Facility	119,323	125,435
Acquisition debt, net of current portion	5,453	5,581
Total Long-term debt	<u>\$ 522,281</u>	<u>\$ 528,335</u>

**Senior Notes**

The carrying value of our 4.25% senior notes due 2029 (the “Senior Notes”) is reflected on our Consolidated Balance Sheets as follows (in thousands):

	March 31, 2026	December 31, 2025
Principal amount	\$ 400,000	\$ 400,000
Debt discount, net of accumulated amortization of \$2,557 and \$2,411, respectively	(1,945)	(2,089)
Debt issuance costs, net of accumulated amortization of \$726 and \$685, respectively	(550)	(592)
Carrying value of the Senior Notes	<u>\$ 397,505</u>	<u>\$ 397,319</u>

At March 31, 2026, the fair value of the Senior Notes, which are Level 2 measurements, was \$380.3 million.

The Senior Notes were issued under an indenture, dated as of May 13, 2021 (the “Indenture”), among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association, as trustee. The Senior Notes are unsecured, senior obligations and are fully and unconditionally guaranteed on a senior unsecured basis, jointly and severally by each of the Subsidiary Guarantors. The Senior Notes mature on May 15, 2029, unless earlier redeemed or purchased and bear interest at 4.25% per year, which is payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2021.

The Indenture contains restrictive covenants limiting our ability and our Restricted Subsidiaries (as defined in the Indenture) to, among other things, incur additional indebtedness or issue certain preferred shares, create liens on certain assets to secure debt, pay dividends or make other equity distributions, purchase or redeem capital stock, make certain investments, sell assets, agree to certain restrictions on the ability of Restricted Subsidiaries to make payments to us, consolidate, merge, sell or otherwise dispose of all or substantially all assets, or engage in transactions with affiliates. The Indenture also contains customary events of default.

The interest expense and amortization of debt discount and debt issuance costs related to our Senior Notes are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Senior Notes interest expense	4,250	4,250
Senior Notes amortization of debt discount	146	138
Senior Notes amortization of debt issuance costs	41	39

The debt discount and the debt issuance costs are being amortized using the effective interest method over the remaining term of approximately 38 months of the Senior Notes. The effective interest rates on the unamortized debt discount and the unamortized debt issuance costs for the Senior Notes for both three months ended March 31, 2026 and 2025 were 4.42% and 4.30%, respectively.

**Credit Facility**

At March 31, 2026, our senior secured revolving credit facility (as amended, the “Credit Facility”) was comprised of: (i) a \$250.0 million revolving credit facility, including a \$15.0 million subfacility for letters of credit and a \$10.0 million swingline, and (ii) an accordion or incremental option allowing for future increases in the facility size by an additional amount of up to \$75.0 million in the aggregate in the form of increased revolving commitments or incremental term loans.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Our obligations under the Credit Facility are unconditionally guaranteed on a joint and several basis by the same subsidiaries which guarantee the Senior Notes (as defined in Senior Notes above) and certain of our subsequently acquired or organized domestic subsidiaries (collectively, the “Subsidiary Guarantors”).

On July 31, 2024, the Company entered into a fourth amendment, (the “Credit Facility Amendment”), to our Credit Facility, with the financial institutions party thereto, as lenders, and Bank of America, N.A., as administrative agent. The Credit Facility Amendment provided, among other things, for (i) the extension of the maturity date of the Credit Facility to July 31, 2029, provided that, if the Senior Notes (as defined in the Credit Facility) have a stated maturity date that is prior to July 31, 2029, then the maturity date shall instead be the date that is 91 days prior to the stated maturity date of the Senior Notes; (ii) the establishment of Term Secured Overnight Financing Rate (“SOFR”) as a benchmark rate and the removal of BSBY from the Credit Facility, including conforming revisions to certain defined terms under the Credit Facility; (iii) the conversion of each existing BSBY Rate Loan (as defined in the Credit Facility prior to giving effect to the Credit Facility Amendment) to a Term SOFR Loan (as defined in the Credit Facility); (iv) modifications to the definitions of “Applicable Rate” and “Applicable Fee Rate” to change the applicable rates and pricing levels set forth in each pricing grid; (v) the removal of certain mandatory prepayments arising from the issuance of either Equity Interests or Debt (as both are defined by the Credit Facility); and (vi) modifications to the permitted investments covenant, relating to the Company’s ability to make certain acquisitions, subject to the satisfaction of certain conditions therein.

The Credit Facility contains customary affirmative covenants, including, but not limited to, covenants with respect to the use of proceeds, payment of taxes and other obligations, continuation of the Company’s business and the maintenance of existing rights and privileges, the maintenance of property and insurance, among others.

In addition, the Credit Facility also contains customary negative covenants, including, but not limited to, covenants that restrict (subject to certain exceptions) the ability of the Company and the Subsidiary Guarantors to incur indebtedness, grant liens, make investments, engage in mergers and acquisitions, and pay dividends and other restricted payments, and certain financial maintenance covenants. At March 31, 2026, we were subject to the following financial covenants under our Credit Facility: (A) a Total Leverage Ratio not to exceed 5.00 to 1.00 and (B) a Fixed Charge Coverage Ratio (as defined in the Credit Facility) of not less than 1.20 to 1.00 as of the end of any period of four consecutive fiscal quarters. These financial maintenance covenants are calculated for the Company and its subsidiaries on a consolidated basis. We were in compliance with all of the covenants contained in our Credit Facility at March 31, 2026.

Our Credit Facility and acquisition debt consisted of the following (in thousands):

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Credit Facility	\$ 120,500	\$ 126,700
Debt issuance costs, net of accumulated amortization of \$3,387 and \$3,300, respectively	(1,177)	(1,265)
<b>Total Credit Facility</b>	<b>\$ 119,323</b>	<b>\$ 125,435</b>
Acquisition debt	\$ 6,215	\$ 6,188
Less: current portion	(762)	(607)
<b>Total acquisition debt, net of current portion</b>	<b>\$ 5,453</b>	<b>\$ 5,581</b>

At March 31, 2026, we had outstanding borrowings under the Credit Facility of \$120.5 million. We also had one letter of credit for \$2.2 million under the Credit Facility. The letter of credit will expire on November 25, 2027, and is expected to automatically renew annually and secures our obligations under our various self-insured policies. At March 31, 2026, we had \$127.3 million of availability under the Credit Facility.

Outstanding borrowings under our Credit Facility bear interest at a prime rate or the SOFR rate, plus an applicable margin based on our leverage ratio. At March 31, 2026, the prime rate margin was equivalent to 1.13% and the SOFR term margin was 2.23%. The weighted average interest rate on our Credit Facility was 5.9% and 6.9% for the years ended March 31, 2026 and 2025, respectively.

We have no material assets or operations independent of the Subsidiary Guarantors, as all of our assets and operations are held and conducted by the Subsidiary Guarantors. Additionally, we do not currently have any significant restrictions on our ability to receive dividends or loans from any Subsidiary Guarantors.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The interest expense and amortization of debt issuance costs related to our Credit Facility are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Credit Facility interest expense	1,987	2,499
Credit Facility amortization of debt issuance costs	87	88

**Acquisition debt**

Acquisition debt consists of deferred purchase price and promissory notes payable to sellers. A majority of the deferred purchase price and notes bear no interest and are discounted at imputed interest rates ranging from 6.5% to 8.5%. Original maturities typically range from nine to twenty years.

The imputed interest expense related to our acquisition debt is as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Acquisition debt imputed interest expense	\$ 150	\$ 94

**11. DIVESTED OPERATIONS**

During the three months ended March 31, 2025, we sold two funeral homes and three cemeteries for an aggregate of \$15.8 million. We did not sell any businesses during the three months ended March 31, 2026.

*Net (gain) loss on divestitures and impairment charges.* The components of *Net (gain) loss on divestitures and impairment charges* are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Impairment of goodwill, intangibles, and PPE	\$ 236	\$ 117
Net loss (gain) on divestitures	51	(5,937)
Net (gain) loss on disposals of fixed assets	(9)	50
Total	\$ 278	\$ (5,770)

**12. BUSINESS COMBINATIONS**

We did not acquire any businesses during the three months ended March 31, 2026. On September 9, 2025, we acquired a business consisting of six funeral homes, one cemetery, and one cremation focused business in the Orlando, FL area for approximately \$49.0 million. The purchase price consisted of \$47.0 million in cash at closing and \$2.0 million of deferred purchase price payments. The net present value of such future deferred purchase price payments was \$1.3 million. We acquired substantially all of the assets and assumed certain operating liabilities of these businesses.

On September 17, 2025, we acquired a business consisting of two funeral homes in the Pensacola, FL area for \$9.5 million in cash. We acquired substantially all of the assets and assumed certain operating liabilities of this business.

The primary reasons for the acquisitions that contributed to the recognition of goodwill include enhancement of our footprint in strategic markets and the addition of deferred revenue that will enhance our long-term stability.

The pro forma impact of these acquisitions on prior periods is not presented, as the impact is not significant to our reported results. The results of the acquired businesses are reflected in our Consolidated Statements of Operations from the date of acquisition.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The following table summarizes the breakdown of the preliminary purchase price allocation for the businesses described above (in thousands):

	<b>Preliminary Purchase Price Allocation</b>
Current assets	\$ 3,302
Preneed trust assets	4,068
Property, plant, and equipment	23,315
Cemetery property	2,733
Goodwill	37,746
Intangible and other non-current assets	3,222
Assumed liabilities	(1,293)
Preneed trust liabilities	(4,068)
Deferred revenue	(12,526)
Purchase price	<u>\$ 56,499</u>

The purchase price allocation was updated for immaterial measurement-period adjustments; no other material changes to the acquisition accounting were identified. The purchase accounting is preliminary as we have not finalized our assessment of the fair value because there has been insufficient time between the acquisition date and the issuance of these financial statements to complete our review and the final determination of fair value. We are also currently reviewing the allocation of goodwill between segments.

**13. SUBSEQUENT EVENTS**

On May 6, 2026, the Company announced it has entered into an Equity Distribution Agreement with Oppenheimer & Co. Inc. and Raymond James & Associates, Inc., serving as sales agents (together, the "Sales Agents"), with respect to its at-the-market offering program under which the Company may offer and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$100.0 million through the Sales Agents.

## CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains certain statements and information that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical information, should be deemed to be forward-looking statements. Words such as “may”, “will”, “estimate”, “intend”, “believe”, “expect”, “seek”, “project”, “forecast”, “foresee”, “should”, “would”, “could”, “plan”, “anticipate” and other similar words or expressions may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements include, but are not limited to, statements regarding any projections of earnings, revenue, cash flow, investment returns, capital allocation, debt levels, equity performance, death rates, market share growth, cost inflation, overhead, including talent recruitment, field and corporate incentive compensation, preneed sales or other financial items; any statements of the plans, strategies, objectives and timing of management for future operations or financing activities, including, but not limited to, capital allocation, organizational performance, execution of our strategic objectives and growth strategy, planned acquisitions and divestitures, technology improvements, product development, the ability to obtain credit or financing, anticipated integration, performance and other benefits of recently completed and anticipated acquisitions, and cost management and debt reductions; any statements of the plans, timing and objectives of management for acquisition and divestiture activities; any statements regarding future economic and market conditions or performance; any statements related to the ATM Program, potential future sales thereunder, and the expected uses of proceeds thereof, including our ability to meet the expectations, timing and plans, if at all, related to the ATM Program; any statements of belief; and any statements of assumptions underlying any of the foregoing and are based on our current expectations and beliefs concerning future developments and their potential effect on us. While we believe these assumptions concerning future events are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenue and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions or divestitures. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to:

- our ability to find and retain skilled personnel;
- the effects of our talent recruitment efforts, incentive and compensation plans and programs, including such effects on our Standards Operating Model and the Company’s operational and financial performance;
- our ability to execute our strategic objectives and growth strategy, if at all;
- the potential adverse effects on the Company's business, financial and equity performance if management fails to meet the expectations of its strategic objectives and growth plan;
- the execution of our Standards Operating Model and strategic acquisition frameworks;
- our ability to meet the timing, objectives, and expectations of our ATM Program, if at all, including the planned use of proceeds and the potentially dilutive effects to our shareholders of issuances of shares under the ATM Program;
- the effects of competition;
- changes in the number of deaths in our markets, which are not predictable from market to market or over the short term;
- changes in consumer preferences and our ability to adapt to or meet those changes;
- our ability to generate preneed sales, including implementing our cemetery portfolio sales strategy, product development and optimization plans;
- the investment performance of our funeral and cemetery trust funds;
- fluctuations in interest rates, including, but not limited to, the effects of increased borrowing costs under our Credit Facility and our ability to minimize such costs, if at all;
- the effects of inflation on our operational and financial performance, including the increased overall costs for our goods and services, the impact on customer preferences as a result of changes in discretionary income, and our ability, if at all, to mitigate such effects;
- our ability to obtain debt or equity financing on satisfactory terms to fund additional acquisitions, expansion projects, working capital requirements and the repayment or refinancing of indebtedness;
- our ability to meet the timing, objectives and expectations related to our capital allocation framework, including our forecasted rates of return, planned uses of free cash flow and future capital allocation, including debt repayment plans, internal growth projects, potential strategic acquisitions, share repurchases, or dividend increases;
- our ability to meet the projected financial and performance guidance of our full year outlook, if at all;
- the timely and full payment of death benefits related to preneed funeral contracts funded through life insurance contracts;

- the financial condition of third-party insurance companies that fund our preneed funeral contracts;
- increased or unanticipated costs, such as merchandise, goods, insurance or taxes, and our ability to mitigate or minimize such costs, if at all;
- our level of indebtedness and the cash required to service our indebtedness;
- changes in federal income tax laws and regulations and the implementation and interpretation of these laws and regulations by the Internal Revenue Service, including changes and potential impacts, if any, resulting from the recently enacted One Big Beautiful Bill Act;
- effects of the application of other applicable laws and regulations, including changes in such regulations or the interpretation thereof;
- the potential impact of epidemics and pandemics, including any new or emerging public health threats, on customer preferences and on our business;
- government, social, business and other actions that have been and will be taken in response to pandemics and epidemics, including potential responses to any new or emerging public health threats;
- effects and expense of litigation;
- consolidation in the funeral and cemetery industry;
- our ability to identify and consummate strategic acquisitions on commercially reasonable terms and on a timely basis, if at all, and successfully integrate acquired businesses with our existing businesses, including expected performance and financial improvements related thereto;
- our ability to successfully complete any non-core asset divestitures on commercially reasonable terms and on a timely basis, if at all, and the impact of any such divestitures on our Company, including any financial, operational, tax or other similar impacts related thereto;
- the effects of any additional imposition or changes in tariffs or trade agreements including, but not limited to, any potential disruptions in international trade, any increased inflationary pressures on the economy or costs for our goods, and our ability, if at all, to mitigate such effects;
- economic, financial and stock market fluctuations;
- interruptions or security lapses of our information technology, including any cybersecurity or ransomware incidents;
- adverse developments affecting the financial services industry;
- military conflicts, acts of war or terrorists acts and the governmental or military response to such acts or conflicts;
- our failure to maintain effective control over financial reporting; and
- other factors and uncertainties inherent in the funeral and cemetery industry.

For additional information regarding known material factors that could cause our actual results to differ from our projected results, please see (i) Part II, Item 1A “Risk Factors” in this Quarterly Report on Form 10-Q and (ii) Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

## **Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **OVERVIEW**

#### *General*

We operate in two business segments: Funeral Home Operations, which currently accounts for approximately 68% of our total revenue and Cemetery Operations, which currently accounts for approximately 32% of our total revenue. At March 31, 2026, we operated 155 funeral homes in 24 states and 28 cemeteries in 9 states.

Our funeral home operations are principally service businesses that generate revenue from sales of burial and cremation services and related merchandise, such as caskets and urns. Funeral services include consultation, the removal and preparation of remains, the sale of caskets and related funeral merchandise, the use of funeral home facilities for visitation and memorial services and transportation services. We provide funeral services and products on both an “atneed” (time of death) and “preneed” (planned prior to death) basis.

Our cemetery operations generate revenue primarily through sales of cemetery interment rights (primarily grave sites, lawn crypts, mausoleum spaces and niches), related cemetery merchandise (such as memorial markers, outer burial containers and monuments) and services (interments, inurnments and installation of cemetery merchandise). We provide cemetery services and products on both an atneed and preneed basis.

### **COMPANY DEVELOPMENTS**

#### *ATM Offering Program*

On May 6, 2026, the Company announced it has entered into an Equity Distribution Agreement with Oppenheimer & Co. Inc. and Raymond James & Associates, Inc., serving as sales agents (together, the “Sales Agents”), with respect to its at-the-market offering program under which the Company may offer and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$100.0 million through the Sales Agents.

#### *Macroeconomic and Inflationary Factors*

During 2026, consumer discretionary spending has reflected mixed trends, with higher-income consumers appearing more resilient and moderate-income consumers exhibiting more cautious behavior, which could result in an overall reduction in consumer spending and demand for products and services. These trends are also influenced by moderating but still elevated inflation. Although certain indicators suggest that inflation has moderated, we continue to monitor potential impacts due to ongoing geopolitical tensions and evolving tariff and trade policies. These pressures, along with volatility in energy prices, interest rates, and ongoing tariff developments, may result in certain costs remaining elevated and contribute to broader economic uncertainty. Such inflation may negatively impact consumer discretionary spending, including the amount that consumers are able to spend on our services, although we have not experienced any material impacts to date and our industry has been largely resilient to similar adverse economic and market environments in the past. To date, these conditions have not materially impacted our business.

### **LIQUIDITY AND CAPITAL RESOURCES**

#### *Overview*

Our primary sources of liquidity and capital resources are internally generated cash flows from operating activities and availability under our Credit Facility.

We generate cash in our operations primarily from atneed sales and delivery of preneed sales. We also generate cash from earnings on our cemetery perpetual care trusts. Based on our recent operating results, current cash position and anticipated future cash flows, we do not anticipate any significant liquidity constraints in the foreseeable future. We have the ability to draw on our Credit Facility, as needed, subject to its customary terms and conditions. For additional details related to our debt and lease obligations, including our Credit Facility, Acquisition Debt and Senior Notes, refer to Notes 10 to our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

For 2026, our plan is to remain focused on executing our growth strategy and other strategic objectives. This includes prioritizing our capital allocation for potential strategic growth acquisitions, capital expenditures, debt repayments, the payment of dividends, and other general corporate purposes as allowed under our Credit Facility. We expect to fund these payments using cash on hand and borrowings under our Credit Facility. We believe that our existing and anticipated cash resources, including, as needed, additional borrowings or other financings that we may be able to obtain, will be sufficient to meet our

anticipated working capital requirements, capital expenditures, scheduled debt payments, commitments, potential growth acquisitions, and dividends for the next 12 months, as well as our long-term financial obligations.

However, if our capital allocations and expenditures or acquisition plans change, we may need to access the capital markets, including, for example, through our ATM Program, or seek further borrowing capacity from our lenders to obtain additional funding and we may not be able to obtain such funding on terms and conditions that are acceptable to us. Further, to the extent operating cash flow or access to and cost of financing sources are materially different than expected, future liquidity may be adversely affected. For additional information regarding known material factors that could cause cash flow or access to and cost of finance sources to differ from our expectations, please read Part I, Item 1A, "Risk Factors".

### Cash Flows

We began 2026 with \$1.7 million in cash and ended the year with \$2.9 million in cash. As of March 31, 2026, we had borrowings of \$120.5 million outstanding on our Credit Facility compared to \$126.7 million as of December 31, 2025.

The following table sets forth the elements of cash flow (in thousands):

	Three months ended March 31,	
	2026	2025
Cash and cash equivalents at beginning of period	\$ 1,688	\$ 1,165
Net cash provided by operating activities	14,898	13,792
Capital expenditures	(3,896)	(3,163)
Proceeds from divestitures and sale of other assets	16	18,660
Net cash (used in) provided by investing activities	(3,880)	15,497
Net payments on our credit facility, acquisition debt, and finance lease obligations	(6,314)	(17,148)
Net payments on employee equity plans	(1,712)	(6,941)
Dividends paid on common stock	(1,772)	(1,722)
Net cash used in financing activities	(9,798)	(25,811)
Cash and cash equivalents at end of period	\$ 2,908	\$ 4,643

#### Operating Activities

For the three months ended March 31, 2026, cash provided by operating activities was \$14.9 million compared to \$13.8 million for the three months ended March 31, 2025.

#### Investing Activities

Our investing activities resulted in net cash outflows of \$3.9 million for the three months ended March 31, 2026, compared to net cash inflows of \$15.5 million for the three months ended March 31, 2025, a decrease of \$19.4 million.

#### Acquisition and Divestiture Activity

During the three months ended March 31, 2025, we sold two funeral homes and three cemeteries for an aggregate of \$15.8 million. Additionally, we sold real property for \$2.9 million.

#### Capital Expenditures

For the three months ended March 31, 2026, our capital expenditures (comprised of growth and maintenance spend) totaled \$3.9 million compared to \$3.2 million for the year ended March 31, 2025, an increase of \$0.7 million.

The following tables present our capital expenditures (in thousands):

	Three months ended March 31,	
	2026	2025
Growth	\$ 1,696	\$ 1,753
Maintenance	2,200	1,410
Total Capital Expenditures	\$ 3,896	\$ 3,163

### Financing Activities

Our financing activities resulted in a net cash outflow of \$9.8 million for the three months ended March 31, 2026, compared to a net cash outflow of \$25.8 million for the three months ended March 31, 2025, a decrease of \$16.0 million.

During the three months ended March 31, 2026, we had net payments on our Credit Facility, acquisition debt, and finance leases of \$6.3 million, net payments on our employee equity plans of \$1.7 million, and paid dividends of \$1.8 million.

During the three months ended March 31, 2025, we had net payments on our Credit Facility, acquisition debt, and finance leases of \$17.1 million, net payments on our employee equity plans of \$6.9 million, and paid dividends of \$1.7 million.

### FINANCIAL HIGHLIGHTS

Below are our consolidated financial highlights (in thousands except for volumes and averages):

	Three months ended March 31,			
	2026	2025	Inc/(Dec)	% Change
Total revenue	\$ 106,120	\$ 107,069	\$ (949)	(0.9)%
Funeral contracts	11,218	11,319	(101)	(0.9)%
Average revenue per funeral contract	\$ 6,051	\$ 5,869	\$ 182	3.1 %
Preneed insurance contracts sold	2,927	2,711	216	8.0 %
Preneed interment rights (property) sold	3,153	3,236	(83)	(2.6)%
Average price per preneed interment right (property) sold	\$ 6,017	\$ 5,419	\$ 598	11.0 %
Preneed sales production (M&S and property)	\$ 23,900	\$ 21,731	\$ 2,169	10.0 %
Gross profit	\$ 38,640	\$ 37,842	\$ 798	2.1 %
Net income	\$ 13,492	\$ 20,926	\$ (7,434)	(35.5)%

Revenue for the three months ended March 31, 2026 decreased \$0.9 million compared to the three months ended March 31, 2025, primarily due to a decrease in divested revenue that was partially offset by growth in acquisition revenue. In our Funeral segment, we experienced a 0.9% decrease in funeral contract volume; partially offset by a 3.1% increase in the average revenue per funeral contract, and an 8.0% increase in preneed insurance contracts sold. In our Cemetery segment, we experienced a 10.0% increase in preneed sales production (M&S and property) and an 11.0% increase in the average price per interment right (property) sold; partially offset by a 2.6% decrease in the number of preneed interment rights (property) sold.

Gross profit for the three months ended March 31, 2026 increased \$0.8 million compared to the three months ended March 31, 2025, primarily due to effective cost management.

Net income for the three months ended March 31, 2026 decreased \$7.4 million compared to the three months ended March 31, 2025, primarily due to a prior year net gain on divestitures, impairment charges, and sale of real property of \$7.8 million and a \$1.0 million increase in general and administrative expenses; partially offset by a \$0.8 million increase in gross profit contribution from our businesses, a \$0.4 million decrease in interest expense, and a \$0.4 million decrease in income tax expenses.

Further discussion of revenue and the components of gross profit for our funeral home and cemetery segments is presented under “– Results of Operations.”

Further discussion of general, administrative and other expenses, interest expense, income taxes and other components of income and expenses are presented under “– Other Financial Statement Items.”

### REPORTING AND NON-GAAP FINANCIAL MEASURES

We also present our financial performance in our “Condensed Operating and Financial Trend Report” (“Trend Report”) as reported in our earnings release for the three months ended March 31, 2026, dated May 6, 2026, and discussed in the corresponding earnings conference call. This Trend Report is used as a supplemental financial statement by management and investors to compare our current financial performance with our previous results and with the performance of other companies. Additionally, management employs segment gross profit for product pricing evaluation and uses segment adjusted operating profit to assess each segment’s performance by comparing results. We do not intend for this information to be considered in isolation or as a substitute for other measures of performance prepared in accordance with GAAP. The Trend Report is a non-GAAP statement that also provides insight into underlying trends in our business.

Below is a reconciliation of gross profit (a GAAP financial measure) to adjusted operating profit (a non-GAAP financial measure) (in thousands):

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Gross profit	\$ 38,640	\$ 37,842
Cemetery property amortization	1,995	1,828
Field depreciation expense	3,408	3,322
Regional and unallocated funeral and cemetery costs	4,391	5,235
Adjusted operating profit <sup>(1)</sup>	<u>\$ 48,434</u>	<u>\$ 48,227</u>

(1) Adjusted operating profit is defined as gross profit plus cemetery property amortization, field depreciation expense, and regional and unallocated funeral and cemetery costs.

Our operations are reported in two business segments: Funeral Home and Cemetery. Below is a breakdown of adjusted operating profit (a non-GAAP financial measure) by segment (in thousands):

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Funeral Home	\$ 31,598	\$ 33,179
Cemetery	16,836	15,048
Adjusted operating profit	<u>\$ 48,434</u>	<u>\$ 48,227</u>
Adjusted operating profit margin <sup>(1)</sup>	45.6%	45.0%

(1) Adjusted operating profit margin is defined as adjusted operating profit as a percentage of revenue.

Further discussion of adjusted operating profit for our funeral home and cemetery segments is presented under “Results of Operations.”

## RESULTS OF OPERATIONS

The following is a discussion of our results of operations for the three months ended March 31, 2026 and 2025.

The term “comparable” in the funeral home and cemetery segments refers to all funeral homes and cemeteries that we owned for the entire period beginning January 1, 2025 and ending March 31, 2026.

The term “acquired” refers to the funeral homes and cemeteries acquired as discussed in Note 12 to our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The term “divested” refers to the funeral homes and cemeteries sold and/or merged as discussed in Note 11 to our unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The term “ancillary” in the funeral home segment represents our flower shop, monument business, pet cremation business, and online cremation businesses.

Cemetery property amortization, field depreciation expense, and regional and unallocated funeral and cemetery costs, are not included in adjusted operating profit, a non-GAAP financial measure. Adding back these items will result in gross profit, a GAAP financial measure.

## Funeral Home Segment

The following table sets forth certain information regarding our revenue and adjusted operating profit for our funeral home operations (in thousands):

	Three months ended March 31,			
	2026	2025	Inc/(Dec)	% Change
<b>Revenue:</b>				
Comparable	\$ 63,276	\$ 66,054	\$ (2,778)	(4.2)%
Acquired	2,726	—	2,726	100.0 %
Divested	3	3,451	(3,448)	(99.9)%
Ancillary	847	1,032	(185)	(17.9)%
Other	4,862	4,082	780	19.1 %
<b>Total</b>	<b>\$ 71,714</b>	<b>\$ 74,619</b>	<b>\$ (2,905)</b>	<b>(3.9)%</b>
<b>Adjusted operating profit</b>				
Comparable	\$ 26,220	\$ 28,701	\$ (2,481)	(8.6)%
Acquired	823	—	823	100.0 %
Divested	(10)	959	(969)	(101.0)%
Ancillary	190	188	2	1.1 %
Other	4,375	3,331	1,044	31.3 %
<b>Total</b>	<b>\$ 31,598</b>	<b>\$ 33,179</b>	<b>\$ (1,581)</b>	<b>(4.8)%</b>

The following measures reflect significant metrics from comparable operations over the comparative period:

Contract volume	10,663	11,319	(656)	(5.8)%
Average revenue per contract, excluding preneed funeral trust earnings	\$ 5,934	\$ 5,836	\$ 98	1.7 %
Average revenue per contract, including preneed funeral trust earnings	\$ 6,099	\$ 6,002	\$ 263	4.5 %
Cremation rate	60.5%	60.1%	0.4%	0.7%

Funeral home comparable revenue decreased \$2.8 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The decline in comparable revenue is primarily driven by a 5.8% decrease in contract volume.

Funeral home comparable adjusted operating profit for the three months ended March 31, 2026 decreased \$2.5 million when compared to the same period in 2025, primarily due to the increase in operating expense relative to revenue. The comparable operating profit margin decreased 210 basis points to 41.4%. Operating expenses as a percentage of revenue increased 2.0%, with the largest increases attributable to salaries and benefits expenses, facilities and grounds expenses, and general and administrative expense.

Ancillary revenue decreased \$0.2 million, while ancillary adjusted operating profit increased \$2.0 thousand for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The decrease in ancillary revenue is primarily driven by a decline in our online cremation business.

Other revenue and other adjusted operating profit, which consists of preneed funeral insurance commissions and earnings from delivered preneed funeral trust and insurance contracts, increased \$0.8 million and \$1.0 million, respectively, for the three months ended March 31, 2026, compared to the same period in 2025. This increase is primarily driven by growth of \$0.5 million in general agency commission income for the first quarter of 2026 compared to the same period in 2025, reflecting continued growth in preneed funeral sales through our strategic partnership with a national insurance provider.

## Cemetery Segment

The following table sets forth certain information regarding our revenue and adjusted operating profit for our cemetery operations (in thousands):

	Three months ended March 31,			
	2026	2025	Inc/(Dec)	% Change
<b>Revenue:</b>				
Comparable	\$ 29,574	\$ 27,895	\$ 1,679	6.0%
Acquired	1,235	—	1,235	100.0 %
Divested	—	1,196	(1,196)	(100.0)%
Other	3,597	3,359	238	7.1%
<b>Total</b>	<b>\$ 34,406</b>	<b>\$ 32,450</b>	<b>\$ 1,956</b>	<b>6.0%</b>
<b>Adjusted operating profit</b>				
Comparable	\$ 12,829	\$ 11,390	\$ 1,439	12.6%
Acquired	492	—	492	100.0 %
Divested	(1)	360	(361)	(100.3)%
Other	3,516	3,298	218	6.6%
<b>Total</b>	<b>\$ 16,836</b>	<b>\$ 15,048</b>	<b>\$ 1,788</b>	<b>11.9%</b>

The following measures reflect the significant comparable metrics over this comparative period:

Preneed revenue as a percentage of operating revenue	69.2%	67.8%	1.4%	2.1%
Preneed revenue (in thousands)	\$ 20,466	\$ 18,920	\$ 1,546	8.2%
Atneed revenue (in thousands)	\$ 9,108	\$ 8,975	\$ 133	1.5%
Number of preneed interment rights sold	2,871	3,091	(220)	(7.1)%
Average price per interment right sold	\$ 6,346	\$ 5,504	\$ 842	15.3%

Cemetery comparable revenue increased \$1.7 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, as we experienced a 15.3% increase in the average price per interment right sold; partially offset by a 7.1% decrease in the number of preneed interment rights (property) sold. Cemetery atneed revenue, which represents approximately 30.8% of our total operating revenue, increased \$0.1 million for the three months ended March 31, 2026, compared to the same period in 2025, primarily due to a 9.6% increase in the average price per atneed contract.

Cemetery comparable adjusted operating profit increased \$1.4 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, primarily driven by higher property sales and increased deliveries of merchandise and service items both to preneed and atneed customers, while costs remained relatively stable. As a result, comparable operating profit margin increased 260 basis points to 43.4%.

*Other revenue* and other adjusted operating profit increased \$0.2 million each, for the three months ended March 31, 2026, compared to the three months ended March 31, 2025, primarily due to prior year activity in our perpetual care trust fund that did not recur in 2026.

*Cemetery property amortization.* Cemetery property amortization totaled \$2.0 million for the three months ended March 31, 2026 and 2025, respectively, primarily driven by the increase in property sold across our cemetery portfolio.

*Field depreciation.* Depreciation expense for our field businesses totaled \$3.4 million for the three months ended March 31, 2026, an increase of \$0.1 million compared to the three months ended March 31, 2025, primarily driven by our business decision to lease vehicles rather than purchase them.

*Regional and unallocated funeral and cemetery costs.* Regional and unallocated funeral and cemetery costs consist of salaries and benefits for regional management, field incentive compensation and other related costs for field infrastructure. Regional and unallocated funeral and cemetery costs totaled \$4.4 million for the three months ended March 31, 2026, a decrease of \$0.8 million compared to the same period in 2025, primarily driven by a decrease in leadership and development expenses.

### Other Financial Statement Items

*General, administrative, and other.* General, administrative, and other expenses, which include salaries and benefits and cash and equity incentive compensation for our Houston support office, totaled \$13.1 million for the three months ended March 31, 2026, an increase of \$1.0 million compared to the same period in 2025, primarily driven by a \$0.5 million increase in salaries and wages, a \$0.3 million increase in depreciation and amortization, primarily driven by amortization of costs related to the development of our digital transformation project, and a \$0.2 million increase in facilities and grounds, primarily as a result of an increase in property taxes.

*Net (gain) loss on divestitures and impairment charges.* The components of *Net (gain) loss on divestitures and impairment charges* are as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Impairment of goodwill, intangibles, and PPE	\$ 236	\$ 117
Net loss (gain) on divestitures	51	(5,937)
Net (gain) loss on disposals of fixed assets	(9)	50
Total	<u>\$ 278</u>	<u>\$ (5,770)</u>

During the three months ended March 31, 2025, we sold two funeral homes and three cemeteries for a gain of \$5.9 million. We also recognized an impairment of \$0.1 million on land held for sale during the three months ended March 31, 2025.

*Interest expense.* Interest expense related to its respective debt arrangement is as follows (in thousands):

	Three months ended March 31,	
	2026	2025
Senior Notes	\$ 4,437	\$ 4,427
Credit Facility	2,074	2,587
Finance leases	223	188
Acquisition debt	150	94
Other	—	2
Total	<u>\$ 6,884</u>	<u>\$ 7,298</u>

*Other, net.* During the three months ended March 31, 2025, we recorded a \$2.0 million gain on the sale of other real property not used in business operations. We did not record any gain or loss activity during the three months ended March 31, 2026.

*Income taxes.* Income tax expense including discrete items totaled \$4.9 million for the three months ended March 31, 2026, a decrease of \$0.4 million compared to the three months ended March 31, 2025. The current quarter's lower effective tax rate before discrete items, was partially offset by higher excess tax benefits recognized on the settlement of employee share-based awards in the prior year first quarter. Our effective tax rate before discrete items was 28.1% and 31.2% for the three months ended March 31, 2026 and 2025, respectively, primarily related to a decrease in non-deductible officer compensation.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of our Condensed Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Understanding our accounting policies and the extent to which our management uses judgment, assumptions and estimates in applying these policies is integral to understanding our Condensed Consolidated Financial Statements. Our critical accounting policies are more fully described in Part II, Item 8 "Financial Statements and Supplementary Data" in Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2025.

We have identified Business Combinations and Goodwill as those accounting policies that require significant judgments, assumptions and estimates and that have a significant impact on our financial condition and results of operations. These policies are considered critical because they may result in fluctuations in our reported results from period to period due to the significant judgments, estimates and assumptions about complex and inherently uncertain matters and because the use of different judgments, assumptions or estimates could have a material impact on our financial condition or results of operations. Actual results may differ from these estimates and such estimates may change if the underlying conditions or assumptions change. Historical performance should not be viewed as indicative of future performance because there can be no assurance the margins, operating income and net earnings, as a percentage of revenue, will be consistent from period to period. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as appropriate based on changing conditions.

**Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

For quantitative and qualitative disclosures about market risk, see Part II, Item 7(a), “Quantitative and Qualitative Disclosures About Market Risk,” in our 2025 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2025.

**Item 4. CONTROLS AND PROCEDURES.**

***Management’s Evaluation of Disclosure Controls and Procedures***

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to ensure that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and to ensure that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures are effective at March 31, 2026 and that the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations, and cash flows for the periods presented in conformity with US GAAP.

***Changes in Internal Control over Financial Reporting***

There was no change in our system of internal control over financial reporting (defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the fiscal quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings.

We and our subsidiaries are parties to a number of legal proceedings that arise from time to time in the ordinary course of our business. While the outcome of these proceedings cannot be predicted with certainty, we do not expect these matters to have a material adverse effect on our financial statements.

We self-insure against certain risks and carry insurance with coverage and coverage limits for risk in excess of the coverage amounts consistent with our assessment of risks in our business and of an acceptable level of financial exposure. Although there can be no assurance that self-insurance reserves and insurance will be sufficient to mitigate all damages, claims, or contingencies, we believe that the reserves and our insurance provides reasonable coverage for known asserted and unasserted claims. In the event we sustain a loss from a claim and the insurance carrier disputes coverage or coverage limits, we may record a charge in a different period than the recovery, if any, from the insurance carrier.

*Denning v. Carriage Services, Inc., et al.*, Superior Court of California, Ventura County, Case No. 2024 CU OE 028098. On July 29, 2024, a wage and hour class action was filed against the Company and several of its subsidiaries. Plaintiff, a former employee, seeks monetary damages on behalf of herself and other similarly situated current and former non-exempt employees as the putative class for the alleged failure to pay legally mandated compensation and reimbursement expenses. As of March 31, 2026, we are unable to reasonably estimate the possible loss or ranges of loss, if any. The prospective class has not been certified by a court of competent jurisdiction and the Company intends to vigorously defend itself in all respects.

*Frost v. Rolling Hills Memorial Park*, Superior Court of California, Contra Costa County, Case No. C24-02653. On October 4, 2024, a consumer class action was filed against the Company's subsidiary, Rolling Hills Memorial Park. Plaintiff, an owner of an interment right and purchaser of merchandise and services from Rolling Hills Memorial Park, seeks monetary damages on behalf of herself and other similarly situated current and former consumers and owners of interment rights as the putative class for the alleged failure to properly set cemetery merchandise and maintain the perpetual care cemetery. As of March 31, 2026, we are unable to reasonably estimate the possible loss or ranges of loss, if any. The prospective class has not been certified by a court of competent jurisdiction and the Company intends to vigorously defend itself in all respects.

### Item 1A. Risk Factors.

We are supplementing the risk factors set out under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, with the updated risk factor set out below. Readers should carefully consider the risk factors discussed in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K for the year ended December 31, 2025, are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

#### **Stockholders may experience future dilution as a result of future equity offerings and issuances.**

In the future, we may offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock, including under our ATM Program, and our then-existing stockholders may experience dilution as a result. The price per share at which we sell additional shares of our common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by our then current stockholders. Investors purchasing shares or other securities in the future could also have rights superior to existing stockholders.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

The following table sets forth certain information with respect to repurchases of our common stock during the quarter ended March 31, 2026.

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Program</b>	<b>Dollar Value of Shares That May Yet Be Purchased Under the Program <sup>(1)</sup></b>
January 1, 2026 - January 31, 2026 <sup>(2)</sup>	74	\$ 40.75	—	\$ 48,898,769
February 1, 2026 - February 28, 2026 <sup>(2)</sup>	31,492	\$ 44.64	—	\$ 48,898,769
March 1, 2026 - March 31, 2026	—	\$ —	—	\$ 48,898,769
Total for quarter ended March 31, 2026	<u>31,566</u>		<u>—</u>	

(1) We did not repurchase any shares under our share repurchase program during the three months ended March 31, 2026. At March 31, 2026, our share repurchase program had approximately \$48.9 million authorized for repurchases.

(2) Includes shares purchased in connection with the surrender of shares by employees to satisfy certain tax withholding obligations under compensation plans.

**Item 3. Defaults Upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.****Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements**

During the fiscal quarter ended March 31, 2026, no director or officer (as determined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) of the Company adopted, modified, or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements as such term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits.**

The exhibits required to be filed pursuant to the requirements of Item 601 of Regulation S-K are set forth in the Exhibit Index accompanying this Quarterly Report on Form 10-Q and are incorporated herein by reference.

**SIGNATURES**

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

Date: May 7, 2026

CARRIAGE SERVICES, INC.

/s/ John Enwright

John Enwright

Senior Vice President, Chief Financial Officer, and Treasurer  
(Principal Financial Officer)

**CARRIAGE SERVICES, INC.**

**INDEX OF EXHIBITS**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation, as amended, of the Company. Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 1996, filed on March 20, 1997.</u></a>
3.2	<a href="#"><u>Certificate of Amendment dated May 7, 1997. Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for its fiscal quarter ended September 30, 1997, filed on November 14, 1997.</u></a>
3.3	<a href="#"><u>Certificate of Amendment dated May 7, 2002. Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for its fiscal quarter ended June 30, 2002, filed on August 13, 2002.</u></a>
3.4	<a href="#"><u>Amended and Restated By-Laws of Carriage Services, Inc. dated June 21, 2023. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 22, 2023.</u></a>
*10.1	<a href="#"><u>Form of Nonqualified Deferred Compensation Plan</u></a> †
*10.2	<a href="#"><u>Form of 2026 Performance Award under Carriage Services, Inc. 2017 Omnibus Incentive Plan</u></a> †
*10.3	<a href="#"><u>Employment Agreement dated February 2, 2026, by and between the Company and Sam A. Mazzu, III</u></a> †
*31.1	<a href="#"><u>Certification of Periodic Financial Reports by Carlos R. Quezada in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
*31.2	<a href="#"><u>Certification of Periodic Financial Reports by John Enwright in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
**32	<a href="#"><u>Certification of Periodic Financial Reports by Carlos R. Quezada and John Enwright in satisfaction of Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. Section 1350.</u></a>
*101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
*101.SCH	Inline XBRL Taxonomy Extension Schema Documents.
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
*104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(\*) Filed herewith.

(\*\*) Furnished herewith.

(†) Management contract or compensatory plan or arrangement.

**CARRIAGE SERVICES  
NON QUALIFIED DEFERRED COMPENSATION PLAN**

Carriage Services, Inc. (the “**Company**”), hereby establishes the Carriage Services Non-Qualified Deferred Compensation Plan (the “**Plan**”), effective February 1, 2025 (the “**Effective Date**”), for the purpose of attracting and retaining high quality executives and promoting in them increased efficiency and an interest in the successful operation of the Company. The Plan is intended to, and shall be interpreted to, comply in all respects with Code Section 409A and those provisions of ERISA applicable to an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of “management or highly compensated employees.”

**ARTICLE I  
DEFINITIONS**

- 1.1 “**Account**” or “**Accounts**” shall mean the bookkeeping account or accounts established under this Plan pursuant to Article IV.
- 1.2 “**Base Salary**” shall mean a Participant’s annual base salary, excluding incentive and discretionary bonuses, commissions, reimbursements and other non-regular remuneration, received from the Company prior to reduction for any salary deferrals under benefit plans sponsored by the Company, including but not limited to, plans established pursuant to Code Section 125 or qualified pursuant to Code Section 401 (k).
- 1.3 “**Beneficiary**” or “**Beneficiaries**” shall mean the person, persons or entity designated as such pursuant to Section 7.1.
- 1.4 “**Board**” shall mean the then-current Board of Directors of the Company.
- 1.5 “**Bonus(es)**” shall mean amounts paid to the Participant by the Company in the form of discretionary or annual incentive compensation or any other bonus designated by the Committee, before reductions for contributions to or deferrals under any pension, deferred compensation or benefit plans sponsored by the Company. Differing types of Bonuses may be subject to separate Participant Elections, if applicable.
- 1.6 “**Code**” shall mean the Internal Revenue Code of 1986, as amended, as interpreted by Treasury regulations and applicable authorities promulgated thereunder.
- 1.7 “**Committee**” shall mean the person or persons appointed by the Board to administer the Plan in accordance with Article IX.
- 1.8 “**Company Contributions**” shall mean the contributions made by the Company pursuant to Section 3.3, if any.
- 1.9 “**Company Contribution Account**” shall mean the Account maintained for the benefit of the Participant that is credited with Company Contributions, if any, pursuant to Section 4.2.

1.10 “**Compensation**” shall mean all amounts eligible for deferral for a particular Plan Year under Section 3.1.

1.11 “**Crediting Rate**” shall mean the notional gains and losses credited on the Participant’s Account balance that are based on the Participant’s choice among the investment alternatives made available by the Committee pursuant to Section 3.4.

1.12 “**Deferral Account**” shall mean an Account maintained for each Participant that is credited with Participant deferrals pursuant to Section 4.1.

1.13 “**Distributable Amount**” shall mean the vested balance in the applicable Account as determined under Article IV.

1.14 “**Eligible Executive**” shall mean an employee who is a member of a select group of highly compensated employees or management-level employees of an Employer, as selected by the Committee to be eligible to participate in the Plan as a Participant.

1.15 “**Employer(s)**” shall be defined as follows:

(a) Except as otherwise provided in part (b) of this Section, the term “Employer” shall mean the Company and/or any of its affiliates or subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a participating employer hereunder.

(b) For the purpose of determining whether a Participant has experienced a Separation from Service, the term “Employer” shall mean:

(1) The entity for which the Participant performs services and with respect to which the legally binding right to compensation deferred or contributed under this Plan arises; and

(2) All other entities with which the entity described above would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable. In order to identify the group of entities described in the preceding sentence, the Committee shall use an ownership threshold of at least 50% as a substitute for the 80% minimum ownership threshold that appears in, and otherwise must be used when applying, the applicable provisions of (A) Code Section 1563 for determining a controlled group of corporations under Code Section 414(b), and (B) Treas. Reg. § 1.414(c)-2 for determining the trades or businesses that are under common control under Code Section 414(c).

1.16 “**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended, including Department of Labor and Treasury regulations and applicable authorities promulgated thereunder.

1.17 “**Financial Hardship**” shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)), loss of the Participant’s

property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, but shall in all events correspond to the meaning of the term “unforeseeable emergency” under Code Section 409A.

1.18 “**Fund**” or “**Funds**” shall mean one or more of the investments selected by the Committee pursuant to Section 3.4.

1.19 “**Hardship Distribution**” shall mean an accelerated distribution of benefits or a cancellation of deferral elections pursuant to Section 6.4 to a Participant who has suffered a Financial Hardship.

1.20 “**Interest Rate**” shall mean, for each Fund, the rate of return derived from the net gain or loss on the assets of such Fund, as determined by the Committee.

1.21 “**Participant**” shall mean any Eligible Executive who becomes a Participant in this Plan in accordance with Article II.

1.22 “**Participant Election(s)**” shall mean the forms or procedures by which a Participant makes elections with respect to (a) voluntary deferrals of his/her Compensation, (b) the Funds, which shall act as the basis for crediting of interest on Account balances, and (c) the form and timing of distributions from Accounts. Participant Elections may take the form of an electronic communication followed by appropriate confirmation according to specifications established by the Committee.

1.23 “**Payment Date**” shall mean the date by which a total distribution of the Distributable Amount shall become payable or the date by which installment payments of the Distributable Amount shall commence.

(a) For benefits triggered by the Participant’s Separation from Service, the Payment Date shall be the first business day of the seventh month directly following the month in which the Separation from Service occurs, and the applicable amount shall be calculated as of the last business day of the sixth month following the month in which the Separation from Service occurs. Subsequent installments, if any, shall be made in March of each Plan Year following the Plan Year in which the initial installment payment was payable and shall be calculated as of the last business day of the preceding February.

(b) For benefits triggered by the death of a Participant, the Payment Date shall be the first business day of the month commencing after the month in which the death occurs, and the applicable amount shall be calculated as of the last business day of the month in which the death occurs. The Committee must be provided with documentation that is deemed satisfactory, as determined by the Committee, to establish the fact of the Participant’s death; and

(c) The Payment Date of a Scheduled Distribution shall be the first business day of March of the Plan Year in which the distribution is scheduled by the Participant to commence, and the applicable Distributable Amount shall be calculated as of the last business day of the preceding February. Subsequent installments, if any, shall be calculated as of the last business day of February of each succeeding Plan Year after the initial calculation, and shall be made in March of each Plan Year following the Plan Year in which the initial installment payment was payable.

Payments may be made prior to or following the applicable Payment Date, provided such payments are made in accordance with Code Section 409A, including without limitation Treas. Reg. §1,409A-3(d).

1.24 **“Performance-Baseil Compensation”** shall mean compensation the entitlement to or amount of which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months, as determined by the Committee in accordance with Treas. Reg. §1.409A-1(e).

1.25 **“Plan Year”** shall mean the calendar year, except that the first Plan Year shall begin on the Effective Date and end on the last day of the calendar year in which the Effective Date occurs.

1.26 **“Scheduled Distribution”** shall mean a scheduled distribution date elected by the Participant for distribution of amounts from the Deferral Account, including notional earnings thereon, as provided under Section 6.3.

1.27 **“Separation from Service”** shall mean a termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, other than by reason of death, as determined by the Committee in accordance with Treas. Reg. §1,409A-1(h). In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(a) For a Participant who provides services to an Employer as an employee, except as otherwise provided in part (c) of this Section, a Separation from Service shall occur when such Participant has experienced a termination of employment with such employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed by such Participant (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months).

If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed six (6) months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence exceeds six (6) months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of this Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

(b) For a Participant, if any, who provides services to an Employer as an independent contractor, except as otherwise provided in part (c) of this Section, a Separation from Service shall occur upon the expiration of the contract (or in the case of more than one contract, all contracts) under which

services are performed for such Employer, provided that the expiration of such contract(s) is determined by the Committee to constitute a good-faith and complete termination of the contractual relationship between the Participant and such Employer.

(c) For a Participant, if any, who provides services to an Employer as both an employee and an independent contractor, a Separation from Service generally shall not occur until the Participant has ceased providing services for such Employer as both an employee and as an independent contractor, as determined in accordance with the provisions set forth in parts (a) and (b) of this Section, respectively. Notwithstanding the foregoing provisions in this part (c), if a Participant provides services for an Employer as both an employee and as a member of the Board, to the extent permitted by Treas. Reg. § 1.409A-1 (h)(5), the services provided by such Participant as a member of the Board shall not be taken into account in determining whether the Participant has experienced a Separation from Service as an employee, and the services provided by such Participant as an employee shall not be taken into account in determining whether the Participant has experienced a Separation from Service as a member of the Board.

## **ARTICLE II** **PARTICIPATION**

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### 1.1 Enrollment Requirements; Commencement of Participation

(a) As a condition to participation, each Eligible Executive shall complete, execute and return to the Committee the appropriate Participant Elections, as well as such other documentation and information as the Committee reasonably requests, by the deadline(s) established by the Committee. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines, in its sole discretion, are necessary.

(b) Each Eligible Executive shall commence participation in the Plan on the date that the Committee determines that the Eligible Executive has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required documents to the Committee within the specified time period.

(c) If an Eligible Executive fails to meet all requirements established by the Committee within the period required, that Eligible Executive shall not be eligible to participate in the Plan during such Plan Year.

## **ARTICLE II** **DEFERRAL ELECTIONS & COMPANY CONTRIBUTIONS**

1.1 Elections to Defer Compensation. Elections to defer Compensation shall take the form of a whole percentage of up to a maximum of:

- (a) 80% of Base Salary; and
- (b) 100% of Bonuses.

The Committee may, in its sole discretion, adjust for subsequent Plan Years on a prospective basis the maximum deferral percentages described in this Section for one or more types of Compensation (including, without limitation, for particular types of Bonuses) and for one or more subsequent Plan Years; such revised deferral percentages shall be indicated on a Participant Election form approved by the

Committee. However, in no event shall the maximum deferral percentages be adjusted after the last date on which deferral elections for the applicable type(s) of Compensation must be submitted and become irrevocable in accordance with Section 3.2 below and the requirements of Code Section 409A.

Notwithstanding the foregoing, the Committee may determine that one or more types of Compensation shall not be made available for deferral for one or more subsequent Plan Years and, consistent with such determination, the impacted types of Compensation shall not appear on a Participant Election form.

## 1.2 Timing of Deferral Elections; Effect of Participant Elections.

(a) General Timing Rule for Deferral Elections. Except as otherwise provided in this Section 3.2, in order for a Participant to make a valid election to defer Compensation, the Participant must submit Participant Elections on or before the deadline established by the Committee, which shall be no later than the December 31<sup>st</sup> immediately preceding the Plan Year in which such Compensation will be earned.

Any deferral election made in accordance with this Section 3.2(a) shall be irrevocable; provided, however, that if the Committee permits or requires Participants to make a deferral election by the deadline described above for an amount that qualifies as Performance-Based Compensation, the Committee may permit a Participant to subsequently change his or her deferral election for such compensation by submitting a new Participant Election in accordance with Section 3.2(c) below.

(b) Timing of Deferral Elections for New Plan Participants. An Eligible Executive who first becomes eligible to participate in the Plan on or after the beginning of a Plan Year, as determined in accordance with Treas. Reg. § 1.409A-2(a)(7)(ii) and the “plan aggregation” rules provided in Treas. Reg. §1.409A- 1(c)(2), or in the case of the first Plan Year commencing on the Effective Date, may be permitted to make an election to defer the portion of Compensation attributable to services to be performed after such election, provided that the Participant submits a Participant Election on or before the deadline established by the Committee, which in no event shall be later than thirty (30) days after the Participant first becomes eligible to participate in the Plan.

If a deferral election made in accordance with this Section 3.2(b) relates to Compensation earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of Compensation for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant’s deferral election is made, and the denominator of which is the total number of days in the performance period.

Any deferral election made in accordance with this Section 3.2(b) shall become irrevocable no later than the 30<sup>th</sup> day after the date the Participant first becomes eligible to participate in the Plan.

(c) Timing of Deferral Elections for Performance-Based Compensation. Subject to the limitations described below, the Committee may determine that an irrevocable deferral election for an amount that qualifies as Performance-Based Compensation may be made by submitting a Participant Election on or before the deadline established by the Committee, which in no event shall be later than six (6) months before the end of the performance period.

In order for a Participant to be eligible to make a deferral election for Performance-Based Compensation in accordance with the deadline established pursuant to this Section 3.2(c), the Participant must have performed services continuously from the later of (i) the beginning of the performance period for such Performance-Based Compensation, or (ii) the date upon which the performance criteria for such Performance-Based Compensation are established, through the date upon which the Participant makes the deferral election for such Performance-Based Compensation. In no event shall a deferral election submitted under this Section 3.2(c) be permitted to apply to any amount of Performance-Based Compensation that has become readily ascertainable.

(d) Timing Rule for Deferral of Compensation Subject to Risk of Forfeiture. With respect to Compensation (i) to which a Participant has a legally binding right to payment in a subsequent year, and (ii) that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least twelve (12) months from the date the Participant obtains the legally binding right, the Committee may determine that an irrevocable deferral election for such compensation may be made by timely delivering a Participant Election to the Committee in accordance with its rules and procedures, no later than the 30<sup>th</sup> day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least twelve (12) months in advance of the earliest date at which the forfeiture condition could lapse, as determined in accordance with Treas. Reg. §1.409A-2(a)(5).

Any deferral election(s) made in accordance with this Section 3.2(d) shall become irrevocable no later than the 30<sup>th</sup> day after the Participant obtains the legally binding right to the Compensation subject to such deferral election.

(e) Separate Deferral Elections for Each Plan Year. In order to defer Compensation for a Plan Year, a Participant must submit a separate deferral election with respect to Compensation for such Plan Year by affirmatively filing a Participant Election during the enrollment period established by the Committee prior to the beginning of such Plan Year (or at such other time contemplated under this Section 3.2), which election shall be effective on the first day of the next following Plan Year (unless otherwise specified on the Participant Election).

1.3 Company Contributions. The Company shall have the discretion to make Company Contributions to the Plan at any time and in any amount on behalf of any Participant. Company Contributions shall be made in the complete and sole discretion of the Company, and no Participant shall have the right to receive any Company Contribution in any particular Plan Year regardless of whether Company Contributions are made on behalf of other Participants.

#### 1.4 Investment Elections.

(a) Participant Designation. At the time of entering the Plan and/or of making a deferral election under the Plan, the Participant shall designate, on a Participant Election provided by the Committee, the Funds in which the Participant's Accounts shall be deemed to be invested for purposes of determining the amount of earnings and losses to be credited to each Account. The Participant may specify that all or any percentage of his or her Accounts shall be deemed to be invested, in whole percentage increments, in one or more of the Funds selected as alternative investments under the Plan from time to time by the Committee pursuant to subsection (b) of this Section. If a Participant fails to make an election among the Funds as described in this section, the Participant's Account balance shall automatically be allocated into a Fund determined by the Committee in its sole discretion. A Participant may change any

designation made under this Section as permitted by the Committee by filing a revised election, on a Participant Election provided by the Committee. Notwithstanding the foregoing, the Committee, in its sole discretion, may impose limitations on the frequency with which one or more of the Funds elected in accordance with this Section may be added or deleted by such Participant; furthermore, the Committee, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account balance allocated to each previously or newly elected Fund.

(b) Investment Funds. The Committee may select, in its sole and absolute discretion, each of the types of commercially available investments communicated to the Participant pursuant to subsection (a) of this Section to be the Funds. The Interest Rate of each such commercially available investment shall be used to determine the amount of earnings or losses to be credited to the Participant's Account under Article IV. The Participant's choice among investments shall be solely for purposes of calculation of the Crediting Rate on Accounts. The Company and the Employers shall have no obligation to set aside or invest amounts as directed by the Participant or otherwise, and, if the Company and/or the Employer elects to invest amounts as directed by the Participant, the Participant shall have no more right to such investments than any other unsecured general creditor of the Employer.

#### 1.5 Distribution Elections.

(a) Initial Election. At the time of making a deferral election under the Plan, the Participant shall designate the time and form of distribution of deferrals made pursuant to such Participant Election (together with any earnings credited thereon) from among the alternatives specified under Article VI for the applicable distribution. Such distribution election(s) for a given Plan Year shall relate solely to that Plan Year. A new distribution election may be made via a Participant Election at the time of a subsequent deferral election with respect to a deferral for a Plan Year beginning after the election is made, in accordance with the terms and conditions of such form of Participant Election.

(b) Modification of Election. A distribution election with respect to previously deferred amounts may only be changed under the terms and conditions specified in Code Section 409A and this Section. Except as permitted under Code Section 409A, no acceleration of a distribution is permitted. A subsequent election that delays payment, or changes the form of payment for a Scheduled Distribution or for amounts payable upon Separation from Service, shall be permitted if and only if all of the following requirements are met:

(1) the new election does not take effect until at least twelve (12) months after the date on which the new election is made.

(2) the new election delays payment for at least five (5) years from the date that payment would otherwise have been made, absent the new election; and

(3) in the case of payments made according to a Scheduled Distribution, the new election is made not less than twelve (12) months before the date on which payment would have been made (or, in the case of installment payments, the first installment payment would have been made), absent the new election.

For purposes of application of the above change limitations, installment payments shall be treated as a single payment under Code Section 409A. Only one (1) change shall be allowed to be made by a

Participant with respect to each Plan Year's election as to the benefits to be received by such Participant upon Separation from Service. Election changes made pursuant to this Section shall be made in accordance with rules established by the Committee and shall comply with all requirements of Code Section 409A for such type of election change.

### **ARTICLE III** **ACCOUNTS**

1.1 **Deferral Accounts.** The Committee shall establish and maintain a Deferral Account for each Participant under the Plan. Each Participant's Deferral Account shall be further divided into separate subaccounts ("**Fund Subaccounts**"), each of which corresponds to a Fund designated pursuant to **Section 3.4**. A Participant's Deferral Account shall be credited as follows:

(a) As soon as reasonably practicable after amounts are withheld and deferred from a Participant's Compensation, the Committee shall credit the Fund Subaccounts of the Participant's Deferral Account with an amount equal to Compensation deferred by the Participant in accordance with the designation under **Section 3.4**; that is, the portion of the Participant's deferred Compensation designated to be deemed to be invested in a Fund shall be credited to the Fund Subaccount to be invested in that Fund;

(b) Each business day, each Fund Subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Interest Rate for the corresponding Fund as determined by the Committee pursuant to **Section 3.4(b)**; and

(c) In the event that a Participant elects for a given Plan Year's deferral of Compensation a Scheduled Distribution, all amounts attributed to the deferral of Compensation for such Plan Year shall be accounted for in a manner which allows separate accounting for the deferral of Compensation and investment gains and losses associated with amounts allocated to each such separate Scheduled Distribution.

1.2 **Company Contribution Account.** The Committee shall establish and maintain a Company Contribution Account for each Participant under the Plan. Each Participant's Company Contribution Account shall be further divided into separate Fund Subaccounts corresponding to the Fund designated pursuant to **Section 3.4(a)**. A Participant's Company Contribution Account shall be credited as follows:

(a) As soon as reasonably practicable after a Company Contribution is made, the Company shall credit the Fund Subaccounts of the Participant's Company Contribution Account with an amount equal to the Company Contributions, if any, made on behalf of that Participant, that is, the proportion of the Company Contributions, if any, designated to be deemed to be invested in a certain Fund shall be credited to the Fund Subaccount to be invested in that Fund; and

(b) Each business day, each Fund Subaccount of a Participant's Company Contribution Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the prior day, less any distributions valued as of the end of the prior day, by the Interest Rate for the corresponding Fund as determined by the Committee pursuant to **Section 3.4(b)**.

1.3 Trust. The Company shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's general creditors in accordance with the terms and conditions of the trust agreement. Benefits paid to the Participant from any such trust or trusts shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

1.4 Statement of Accounts. The Committee shall make available to each Participant electronic statements at least quarterly setting forth the Participant's Account balance as of the end of each applicable period.

#### **ARTICLE IV** **VESTING**

1.1 Vesting of Deferral Accounts. The Participant shall be vested at all times in amounts credited to the Participant's Deferral Account.

1.2 Vesting of Company Contribution Account. Amounts credited to the Participant's Company Contribution Account shall be vested based upon the schedule or schedules determined by the Company in its sole discretion and communicated to the Participant.

#### **ARTICLE V** **DISTRIBUTIONS**

1.1 Separation from Service Distributions. Except as otherwise provided herein, in the event of a Participant's Separation from Service, the Distributable Amount credited to the Participant's Deferral Account and Company Contribution Account shall be paid to the Participant in a lump sum on the Payment Date following the Participant's Separation from Service, unless the Participant has made an alternative benefit election on a timely basis to receive substantially equal annual installments over up to ten (10) years. In accordance with a Participant Election approved by the Committee, for each Plan Year the Participant may elect a separate form of distribution applicable upon Separation from Service for the deferrals and Company Contributions, if any, attributable to such Plan Year. A Participant may delay the commencement or change the form of payment applicable upon Separation from Service for each Plan Year, provided such revised election complies with the requirements of Section 3.5.

1.2 Death Benefits. Notwithstanding any provision in this Plan to the contrary, in the event that the Participant dies prior to complete distribution of his or her Accounts under the Plan, the Participant's Beneficiary shall receive a death benefit equal to the Distributable Amount (or remaining Distributable Amount in the event installment payments have commenced) credited to the Participant's Deferral Account and Company Contribution Account in a lump sum on the Payment Date following the Participant's death provided that the Beneficiary has been provided any information reasonably requested by the Committee to effectuate such distribution.

1.3 Scheduled Distributions.

(a) Scheduled Distribution Election. Participants shall be entitled to elect to receive a Scheduled Distribution from the Deferral Account. In the case of a Participant who has elected to receive a

Scheduled Distribution, on the applicable Payment Date such Participant shall receive (or commence to receive) the Distributable Amount with respect to the entirety of the applicable Plan Year's Compensation deferrals, including earnings thereon, as elected by the Participant in accordance with Section 3.5. The Committee shall determine the earliest commencement date that may be elected by the Participant for each Scheduled Distribution and such date shall be indicated on the Participant Election. The Participant may elect to receive the Scheduled Distribution in a single lump sum or substantially equal annual installments over a period of up to five (5) years. A Participant may delay and/or change the form of payment for each Plan Year's previously elected Scheduled Distribution, provided such revised election made via a Participant Election that complies with the requirements of Section 3.5(b). By way of clarification, the Company Contribution Account shall not be distributable as a Scheduled Distribution.

(b) Relationship to Other Benefits.

(1) In the event of a Participant's Separation from Service or death prior to the initial Payment Date for a Scheduled Distribution, such Scheduled Distribution shall not be distributed under this Section 6.3, but rather shall be distributed in accordance with the other applicable Section of this Article VI.

(2) In the event of a Participant's Separation from Service after one or more Scheduled Distributions has commenced in the form of installment payments on the applicable Payment Date, such Scheduled Distribution(s) shall continue to be paid at the same time and in the same form as if the Separation from Service had not occurred.

(3) In the event of a Participant's death after one or more Scheduled Distributions has commenced in the form of installment payments on the applicable Payment Date, the remaining Distributable Amount of such Scheduled Distribution(s) shall be distributed in accordance with Section 6.2.

1.4 Hardship Distributions. Upon a finding that the Participant has suffered a Financial Hardship, as determined by the Committee in accordance with Code Section 409A, the Committee may, at the request of the Participant, accelerate distribution of benefits and/or approve cancellation of deferral elections under the Plan, subject to the following conditions:

(a) The request to take a Hardship Distribution shall be made by filing such a request form with the Committee in the form provided by the Committee for such purpose, and including any such substantiating documentation as may be requested by the Committee.

(b) Upon a finding that the Participant has suffered a Financial Hardship in accordance with Treasury Regulations promulgated under Code Section 409A, the Committee may, at the written request of the Participant, accelerate distribution of benefits and/or approve cancellation of current deferral elections under the Plan in the amount reasonably necessary to alleviate such Financial Hardship. The amount distributed pursuant to this Section with respect to the Financial Hardship shall not exceed the amount necessary to satisfy such Financial Hardship, plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such Financial Hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(c) The amount (if any) determined by the Committee as a Hardship Distribution shall be paid in a single cash lump sum as soon as practicable after the end of the calendar month in which the Hardship Distribution determination is made by the Committee.

1.5 Limited Cashouts. Notwithstanding any provision in this Plan to the contrary, the Committee may, in its sole discretion, distribute in a mandatory lump sum any Participant's entire Deferral Account and/or Company Contribution Account under the Plan, provided that any such distribution is made in accordance with the requirements of Treas. Reg. §1.409A-3(j)(4)(v) or its successor (each such payment, a "**Limited Cashout**"). Specifically, any such Limited Cashout pursuant to this Section 6.5 shall be subject to the following requirements:

(a) The Committee's exercise of discretion to make the Limited Cashout shall be evidenced in writing no later than the date of the lump sum payment.

(b) The lump sum payment shall result in the termination and liquidation of the entirety of the Participant's Deferral Account and/or Company Contribution Account under the Plan, as applicable, as well as the Participant's interest in all other plans, agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treas. Reg. § 1.409A-1 (c)(2) with the Account(s) that is being distributed from this Plan; and

(c) The lump sum payment (and the Participant's entire interest in any and all other "plans" that would be aggregated with the Account(s) being distributed from this Plan in accordance with Treas. Reg. §1.409A-1(c)(2)) is not greater than the applicable dollar amount under Code Section 402(g)(1)(B) at the time of the Limited Cashout.

Any such Limited Cashout shall be calculated as of the last business day of the month in which the Committee's determination to make the Limited Cashout occurs, and such lump sum payment shall be made within sixty (60) days following such determination.

## ARTICLE VI

### PAYEE DESIGNATIONS AND LIMITATIONS

#### 1.1 Beneficiaries.

(a) Beneficiary Designation. The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. If the Participant names someone other than his or her spouse as a Beneficiary, the Committee may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Committee, executed by such Participant's spouse and returned to the Committee. Any spousal beneficiary designation shall be automatically revoked in the event of a divorce, unless the Participant affirmatively redesignates the former spouse. The Beneficiary designation shall be effective when it is submitted to and acknowledged by the Committee during the Participant's lifetime in the format prescribed by the Committee.

(b) Absence of Valid Designation. If a Participant fails to designate a Beneficiary as provided above, or if every person designated as Beneficiary predeceases the Participant or dies prior to

complete distribution of the Participant's benefits, then the Committee shall deem the Participant's estate to be the Beneficiary and shall direct the distribution of such benefits to the Participant's estate. The Participant's estate shall be required to provide satisfactory documentation and proof to the Committee, and shall be responsible for all probate required matters, including the initiation of any claims.

1.2 Payments to Minors. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead such payment shall be made (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, to act as custodian, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within one hundred eighty (180) days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

1.3 Payments on Behalf of Persons under Incapacity. In the event that any amount becomes payable under the Plan to a person who, in the sole judgment of the Committee, is considered by reason of physical or mental condition to be unable to give a valid receipt therefore, the Committee may direct that such payment be made to any person found by the Committee, in its sole judgment, to have assumed the care of such person. Any payment made pursuant to such determination shall constitute a full release and discharge of any and all liability of the Committee and all Employers under the Plan.

## **ARTICLE VII** **LEAVE OF ABSENCE**

1.1 Paid Leave of Absence. If a Participant is authorized by the Participant's Employer to take a paid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, (a) the Participant shall continue to be considered eligible for the benefits provided under the Plan, and (b) deferrals shall continue to be withheld during such paid leave of absence in accordance with Article III.

1.2 Unpaid Leave of Absence. If a Participant is authorized by the Participant's Employer to take an unpaid leave of absence from the employment of the Employer for any reason, and such leave of absence does not constitute a Separation from Service, such Participant shall continue to be eligible for the benefits provided under the Plan. During the unpaid leave of absence, the Participant shall not be allowed to make any additional deferral elections. However, if the Participant returns to active employment, the Participant may elect to defer for the Plan Year following his or her return to active employment, and for every Plan Year thereafter while a Participant in the Plan, provided such deferral elections are otherwise allowed and a Participant

Election is delivered to and accepted by the Committee for each such election in accordance with Article III.

## **ARTICLE VIII** **ADMINISTRATION**

1.1 Committee. The Plan shall be administered by a Committee appointed by the Board, which shall have the exclusive right and full discretion (a) to appoint agents to act on its behalf, (b) to select and establish Funds, (c) to interpret, construe and construct the Plan, (d) to decide any and all matters arising hereunder (including factual determinations and the right to remedy possible ambiguities, inconsistencies, or admissions, and to supply any omission), (e) to make, amend and rescind such rules as it deems necessary for the proper administration of the Plan, and (f) to make all other determinations, and resolve all questions of fact, as deemed to be necessary or advisable for the administration of the Plan, including all determinations regarding eligibility for benefits payable under the Plan, in its discretion. All interpretations of the Committee with respect to any matter hereunder shall be final, conclusive and binding on all persons and entities affected thereby. No member of the Committee or agent thereof shall be liable for any determination, decision, or action made by the Committee or such member in good faith with respect to the Plan. The Company will indemnify and hold harmless the members of the Committee and its agents from and against any and all liabilities, costs, and expenses incurred by any such person as a result of any act, or omission, in connection with the performance of such person's duties, responsibilities, and obligations under the Plan, other than such liabilities, costs, and expenses that directly result from the bad faith, willful misconduct, or criminal act of such person.

1.2 Claims Procedure. Any Participant, former Participant or Beneficiary may file a written claim with the Committee setting forth the nature of the benefit claimed, the amount thereof, and the basis for claiming entitlement to such benefit. The Committee shall determine the validity of the claim and communicate a decision to the claimant promptly and, in any event, not later than ninety (90) days after the date of the claim. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within such ninety (90) day period. If additional information is necessary to make a determination on a claim, the claimant shall be advised of the need for such additional information within forty-five (45) days after the date of the claim. The claimant shall have up to one hundred eighty (180) days to supplement the claim information, and the claimant shall be advised of the decision on the claim within forty-five (45) days after the earlier of the date the supplemental information is supplied or the end of the one hundred eighty (180) day period. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (a) the specific reason or reasons for the denial, (b) specific reference to any provisions of the Plan (including any internal rules, guidelines, protocols, criteria, etc.) on which the denial is based, (c) description of any additional material or information that is necessary to process the claim, and (d) an explanation of the procedure for further reviewing the denial of the claim, and shall also include an explanation of the claimant's right to submit the claim for binding arbitration in the event of an adverse determination on review.

1.3 Claim Review Procedures. Within sixty (60) days after the receipt of a denial on a claim, a claimant or his/her authorized representative may file a written request for review of such denial. Such review shall be undertaken by the Committee and shall be subject to a full and fair review. The claimant shall have the right to review all pertinent documents relating to the claim. The Committee shall issue a decision not later than sixty (60) days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of the Plan on which the decision is based, and shall also include an explanation of the

claimant's right to submit the claim for binding arbitration in the event of an adverse determination on review.

**ARTICLE IX**  
**MISCELLANEOUS**

1.1 Termination of Plan. Although each Employer anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that any Employer will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, each Employer reserves the right to terminate the Plan with respect to all of its Participants. In the event of a Plan termination, no new deferral elections shall be permitted for the affected Participants and such Participants shall no longer be eligible to receive new Company Contributions. However, after the Plan termination, the Account balances of such Participants shall continue to be credited with deferrals attributable to any deferral election that was in effect prior to the Plan termination to the extent deemed necessary to comply with Code Section 409A and related Treasury Regulations, and additional amounts shall continue to be credited or debited to such Participants' Account balances pursuant to Article IV. In addition, following a Plan termination, Participant Account balances shall remain in the Plan and shall not be distributed until such amounts become eligible for distribution in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, to the extent permitted by Treas. Reg. §1,409A-3(j)(4)(ix) or as otherwise permitted under Code Section 409A, the Employer may provide that upon termination of the Plan, all Account balances of the Participants shall be distributed, subject to and in accordance with any rules established by such Employer deemed necessary to comply with the applicable requirements and limitations of Code Section 409A.

1.2 Amendment. Any Employer may, at any time, amend or modify the Plan, in whole or in part, with respect to that Employer. Notwithstanding the foregoing, no amendment or modification shall be effective to decrease the value of a Participant's vested Account balance in existence at the time the amendment or modification is made.

1.3 Unsecured General Creditor. The benefits paid under the Plan shall be paid from the general assets of the Company, and the Participant and any Beneficiary or their heirs or successors shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder. It is the intention of the Company that this Plan be unfunded for purposes of ERISA and the Code.

Nothing contained herein shall be construed as providing for assets to be held in trust or escrow or any other form of asset segregation for the Participant or for any other person or persons to whom benefits are to be paid pursuant to the terms of this plan, the Participant's only interest hereunder being the right to receive the benefits set forth herein. To the extent any person acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer.

1.4 Restriction Against Assignment. The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or entity. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, Beneficiary, or their successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or

payments hereunder in any manner whatsoever. No part of a Participant's Accounts shall be subject to any right of offset against or reduction for any amount payable by the Participant or Beneficiary, whether to the Company or any other party, under any arrangement other than under the terms of this Plan.

1.5 Withholding. The Participant shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements, Social Security and other employee tax or other requirements applicable to the granting, crediting, vesting or payment of benefits under the Plan. There shall be deducted from each payment made under the Plan or any other Compensation payable to the Participant (or Beneficiary) all taxes that are required to be withheld by the Company in respect to such payment or this Plan.<sup>1</sup> To the extent permissible under Code Section 409A, the Company shall have the right to reduce any payment (or other Compensation) by the amount of cash sufficient to provide the amount of said taxes.

1.6 Code Section 409A. The Company intends that the Plan comply with the requirements of Code Section 409A (and all applicable Treasury Regulations and other guidance issued thereunder) ("**Section 409A**") and shall be operated and interpreted consistent with that intent. Notwithstanding the foregoing, the Company makes no representation that the Plan complies with Section 409A.

To the extent that Section 409A is applicable to the Plan, the Plan is intended to comply with Section 409A and any ambiguous provision will be construed in a manner that is compliant with, or exempt from, the application of Section 409A in order to preclude taxation under Section 409A. The Plan is thus intended to be drafted, administered, interpreted and construed in a manner such that no benefit under the Plan becomes subject to (a) the gross income inclusion set forth in Section 409A(a)(1)(A) or (b) the interest and additional tax set forth in Section 409A(a)(1)(B), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of such Section 409A penalties. A Participant, by participation in the Plan, consents to any interpretation of the Plan, or any amendment of the Plan, that the Company may reasonably make in furtherance of such intention. Further, to the extent that any terms of the Plan are ambiguous, such terms shall be interpreted as necessary to comply with Section 409A, or an exemption under Section 409A, to the full extent permitted under Section 409A as determined by the Committee.

Notwithstanding any provision of the Plan to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of the Plan providing for the payment of any amount that constitutes "non-qualified deferred compensation" within the meaning of Section 409A upon or following a termination of the Participant's employment unless such termination is also a "separation from service" as defined in Section 409A. Each amount to be paid or other benefit to be provided under the Plan shall be construed as a separate identified payment for purposes of Section 409A.

The Company and each other Employer, and the Committee, do not make any representation or guarantee that any payments made under the Plan will be exempt from or comply with Section 409A, and, further, make no undertaking to preclude Section 409A from applying to any such payment. The Company and each other Employer, and the Committee, shall thus have no liability with respect to any payment or other benefit under the Plan not being exempt from or not complying with Section 409A.

1.7 Effect of Payment. Any payment made in good faith to a Participant or the Participant's Beneficiary shall, to the extent thereof, be in full satisfaction of all claims against the Committee and its members, and all Employers. The benefits hereunder shall not be treated as compensation from the

Employer for purposes of any other benefit plan or program of the Employer unless specifically designated as compensation under the terms of such other benefit plan or program.

1.8 Errors in Account Statements, Deferrals or Distributions. In the event an error is made in an Account statement, such error shall be corrected on the next statement following the date such error is discovered. In the event of an operational error, including, but not limited to, errors involving deferral amounts, overpayments or underpayments, such operational error shall be corrected in a manner consistent with and as permitted by any correction procedures established under Code Section 409A. If any portion of a Participant's Account(s) under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to comply with the requirements of Code Section 409A, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of (i) the portion of his or her Account required to be included in income as a result of the failure of the Plan to comply with the requirements of Code Section 409A, or (ii) the unpaid vested Account balance.

1.9 Domestic Relations Orders. Notwithstanding any provision in this Plan to the contrary, in the event that the Committee receives a domestic relations order, as defined in Code Section 414(p)(1)(B) ("**DRO**"), pursuant to which a court has determined that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan, the Committee shall have the right to immediately distribute the spouse's or former spouse's vested interest in the Participant's benefits under the Plan to such spouse or former spouse to the extent necessary to fulfill such DRO, provided that such distribution is in accordance with the requirements of Code Section 409A.

The Committee shall establish procedures to determine whether an order submitted to the Committee (or its delegate) is a DRO, and to administer distributions under any valid DROs. The Committee (or its delegate) may direct payment only from the portion, if any, of the fully vested Account balance which is necessary to satisfy the DRO. The Committee will also specify from which Accounts (including allocable investment experience) the DRO is being satisfied.

1.10 Employment Not Guaranteed. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continue the provision of services in any capacity whatsoever to the Employer.

1.11 No Guarantee of Tax Consequences. The Employer, Company, Board and Committee make no commitment or guarantee to any Participant that any federal, state or local tax treatment will apply or be available to the Participant or any other person eligible for benefits under the Plan, and assume no liability whatsoever for the tax consequences to any Participant.

1.12 Successors of the Company. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

1.13 Notice. Any notice or filing required or permitted to be given to the Company or the Participant under this Agreement shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Committee, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Employer. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Committee.

1.14 Waiver. No term or condition of this Plan shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Plan, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived. Any waiver of a breach of any provision of the Plan shall not operate or be construed as a waiver by such party of any subsequent breach thereof.

1.15 Eleadings. Eleadings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

1.16 Gender. Singular and Plural. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

1.17 Governing Law. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly

1.18 compensated employees” within the meaning of Sections 201,301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA. To the extent any provision of, or legal issue relating to, this Plan is not fully preempted by federal law, such issue or provision shall be governed by the laws of the State of Texas.

1.19 Exclusive Forum. The Employer, Committee and the Participants, or any other party to a dispute, claim, controversy or disagreement (each a “**Legal Action**”) arising under or otherwise affecting the Plan, (a) hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Texas—Houston Division or the state courts of competent jurisdiction for the State of Texas located in Harris County, Texas, for the purpose of hearing or litigating any such Legal Action between such parties relating to or arising, in whole or in part, under or in connection with, the Plan, (b) hereby waives and agrees not to invoke, by way of motion, as a defense or otherwise, in any such Legal Action, any claim that such party is not subject personally to the jurisdiction of the above-named courts, that such party’s property is exempt or immune from attachment or execution, that any such Legal Action brought in one of the above-named courts should be dismissed on grounds of forum non conveniens or inconvenient forum, or should be transferred or removed to any court other than one of the abovenamed courts, or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that the Plan may not be enforced in or by such court, and will not assert that venue should properly lie in any other location, and (c) hereby agrees not to commence any such Legal Action other than before the above-named courts. Notwithstanding the previous sentence, a party may commence any Legal Action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts. Nothing in this Plan shall prevent any party to a Legal Action from applying to a court that would otherwise have jurisdiction for provisional or interim measures, including but not limited to any claim for preliminary injunctive relief.

1.20 Waiver of Jury Trial. EACH EMPLOYER AND EACH PARTICIPANT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE OR PROCEEDING ARISING OUT OF OR RELATING TO THE PLAN, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH EMPLOYER AND EACH PARTICIPANT AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES TO IRREVOCABLY WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THE PLAN SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION HEREUNDER BY A JUDGE SITTING WITHOUT A JURY.


1.21 Entire Agreement. Unless specifically indicated otherwise, this Plan supersedes any and all prior communications, understandings, arrangements or agreements between the parties, including any Employer, the Board, the Committee and any and all Participants, whether written, oral, express or implied, relating to the terms and provisions of the Plan.

1.22 Binding Arbitration. Any claim, dispute or other matter in question of any kind relating to this Plan which is not resolved by the claims procedures under this Plan shall be settled by arbitration in accordance with the applicable employment dispute resolution rules of the

American Arbitration Association. Notice of demand for arbitration shall be made in writing to the opposing party and to the American Arbitration Association within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall a demand for arbitration be made after the date when the applicable statute of limitations would bar the institution of a legal or equitable proceeding based on such claim, dispute or other matter in question. The decision of the arbitrators shall be final and may be enforced in any court of competent jurisdiction. The arbitrators may award reasonable fees and expenses to the prevailing party in any dispute hereunder and shall award reasonable fees and expenses in the event that the arbitrators find that the losing party acted in bad faith or with intent to harass, hinder or delay the prevailing party in the exercise of its rights in connection with the matter under dispute.

*[Signature page follows.]*

IN WITNESS WHEREOF, the undersigned duly authorized officer of the Company has approved and adopted this Plan on behalf of the Company, to be effective as of the Effective Date, and has caused the Plan to be executed as of the date indicated below.

By: 

Name: Steve Metzger

Title: President

Date: 12/6/2024

**CARRIAGE SERVICES, INC.**

**CARRIAGE SERVICES  
NON QUALIFIED DEFERRED COMPENSATION PLAN**

**CORPORATE RESOLUTIONS**

WHEREAS, Carriage Services, Inc. (the “Company”) highly values the efforts, abilities, and accomplishments of its key executives and recognizes that their future services are vital to its continued growth and profits; and

WHEREAS, the Company, in order to retain the services of its key executives is willing to provide them with the opportunity to defer compensation under a nonqualified deferred compensation plan;

NOW, THEREFORE, BE IT RESOLVED, that the Carriage Services Non-Qualified Deferred Compensation Plan (the “Plan”) in the form attached to these Resolutions is hereby approved and adopted effective February 1, 2025; and be it

FURTHER RESOLVED, that the following persons are hereby appointed as the Committee to administer the Plan:

*Steve Metzger*  
*John Enwright*  
*Kathy Shanley*  
*Sunnie Winter*

BE IT FURTHER RESOLVED, that the Committee is hereby authorized to complete all documentation required for the Plan, to designate eligible employees to participate in the Plan and to take such further action as may be necessary to install and administer the Plan.



Date: December 5, 2024

**Carriage Services, Inc.**

Name: Steve Metzger Title: President

By: 

## CARRIAGE SERVICES, INC.

## 2017 OMNIBUS INCENTIVE PLAN

## 2026 LONG-TERM INCENTIVE PERFORMANCE AWARD

This Performance Award Agreement (this “Agreement”) is made and entered into as of February 25, 2026 (the “Grant Date”) by and between Carriage Services, Inc. (the “Company”) and \_\_\_\_\_ (the “Employee”). Capitalized terms that are used in this Agreement, but not defined herein, have the meanings ascribed to them in the Company’s 2017 Omnibus Incentive Plan (the “Plan”).

**1. Grant of Performance Award.** Pursuant to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants to the Employee a Stock Award in the form of a Performance Award pursuant to which the Employee may earn shares of the Company’s common stock (the “Award”). The target number of shares of common stock subject to the Award is \_\_\_\_\_ shares (the “Target Performance Shares”).<sup>1</sup> Notwithstanding the foregoing, and subject to the terms of this Agreement, the aggregate number of shares of common stock that the Employee actually earns pursuant to the Award (up to a maximum of 200% of the Target Performance Shares) shall be calculated by the Company’s Compensation Committee (the “Committee”) based upon the Payout definition as outlined in Exhibit I attached hereto).

**2. Performance Period.** For purposes of this Agreement, the term “Performance Period” shall be the period commencing on the Grant Date and ending on February 28, 2029.

**3. Performance Criteria.**

(a) The performance criteria applicable to the Award are set forth on Exhibit I attached hereto (the “Performance Criteria”), which exhibit is hereby incorporated by reference. All determinations of whether the Performance Criteria have been achieved (and, if applicable, the extent of any such achievement), the number of shares of common stock earned by the Employee, and all other matters related to this Section 3, shall be made by the Committee in its sole discretion.

(b) If any of the Performance Criteria are achieved during the Performance Period, the Committee shall review and certify in writing, (i) whether, and to what extent, the Performance Criteria for the Performance Period has been achieved, and (ii) the number of shares of common stock that the Employee has earned, if any, subject to compliance with the requirements of Section 4. Such certification shall be final, conclusive, and binding on the Employee, and on all other persons, to the maximum extent permitted by law.

(c) Any of the four tiers of the Performance Criteria may be achieved during any rolling twelve-month period that concludes at the end of a quarter, and occurs during the Performance Period (a “Measurement Period”), pending certification by the Committee of the achievement of the Performance Criteria in accordance with Section 3(b) above, and subject to the Employee’s continuous employment with the Company from the Grant Date through the date

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<sup>1</sup> The Target Performance Shares are based on Employee’s annual long-term incentive award target and the closing price of CSV stock of \$44.08 on February 25, 2026.

on which the Committee certifies the achievement of the Performance Criteria. The number of shares of common stock that vest and become payable under this Agreement shall be determined by the Committee following a Measurement Period by referencing Exhibit 1.

(d) To achieve any of the four tiers of the Performance Criteria during a particular Measurement Period, the Company must achieve a minimum compound annual organic growth rate of at least 4% during that Measurement Period.

4. **Vesting Date.** The Award is subject to forfeiture until it vests. Except as otherwise provided herein, the Award will vest, and no longer be subject to forfeiture, once the Committee has certified that any of the four tiers included within the Performance Criteria have been achieved (the "Vesting Date"). The Vesting Date may occur at any time during the Performance Period, and in no case shall it occur later than sixty days following the achievement of any tier of Performance Criteria.

(a) Upon certification by the Committee of achievement of any tier of Performance Criteria, Employee shall remain eligible to achieve the remaining tiers during the Performance Period. Upon the Committee's certification of Employee's achievement of an additional tier, Employee shall be entitled to the "Additional Shares" outlined in Exhibit 1.

5. **Settlement.** Payment in respect of the Award earned during the Performance Period shall be made in shares of common stock, which shares of common stock shall be issued to the Employee within 30 days following a Vesting Date. The Company shall, (a) issue and deliver to the Employee the number of shares of common stock earned by the Employee during the Performance Period, if any, as determined and awarded by the Committee in accordance with the terms of this Agreement; and (b) enter the Employee's name on the books of the Company as the shareholder of record with respect to the shares of common stock delivered to the Employee. The value of the Award is subject to change up to the date upon which the Committee certifies the award.

6. **Termination of Employment.** Except as otherwise expressly provided in this Agreement, if the Employee's continuous employment with the Company terminates at any time before a Vesting Date, the Award shall be automatically forfeited upon such termination of employment and neither the Company nor any Affiliate shall have any further obligations to the Employee under this Agreement.

7. **Corporate Change.** In the event of a Corporate Change during the Performance Period, notwithstanding anything in the Plan to the contrary, if Employee's employment with the Company is terminated without Cause or Good Reason, and a Payout was earned in accordance with this Agreement prior to Employee's termination, the Employee shall receive payment in settlement of the Award in an amount equivalent to the value of such Award at the time of such settlement, which amount shall be paid no later than thirty (30) days following the date of such termination of employment.

8. **Restrictions.** Neither the Award nor any of the rights relating thereto may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Employee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Award or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Award will be forfeited by the Employee and all the Employee's rights to such Award shall immediately terminate without any payment or consideration by the Company.

9. **No Rights as Shareholder; No Dividend Equivalents.** The Employee shall not have any rights of a shareholder with respect to the shares of common stock underlying the Award (including, without limitation, any right to receive dividends or dividend equivalents) unless and until the Award vests and is settled pursuant to this Agreement. Upon and following the settlement of the Award, the Employee shall be the record owner of the shares of common stock underlying the Award unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting rights).

10. **No Right to Continued Employment.** Neither the Plan nor this Agreement shall confer upon the Employee any right to continued employment. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Employee's employment at any time, with or without Cause.

11. **Adjustments.** If any change is made to the Company's outstanding common stock or the capital structure of the Company, if required, the number of shares of common stock subject to the Award shall be adjusted or terminated in any manner as contemplated by Section 4.4 of the Plan.

12. **Tax Withholding.** Unless other arrangements have been made that are acceptable to the Company, the Company and each of its Affiliates is authorized to deduct or withhold from the Award, or cause to be deducted or withheld from any compensation or other amount owing to the Employee, the amount (in cash, common stock, other securities or property, or common stock that would otherwise be issued pursuant to the Award) of any applicable taxes payable in respect of the vesting and/or settlement of the Award and to take such other actions as may be necessary in the opinion of the Company or any of its Affiliates to satisfy its tax withholding obligations. Notwithstanding the foregoing, if the Employee is subject to Rule 16b-3 at the time of vesting and/or settlement of the Award, except as otherwise provided in any tax withholding policy or procedure adopted by the Company, such tax withholding automatically shall be effected by the Company or one of its Affiliates either by (i) withholding shares of common stock otherwise deliverable to the Employee on the settlement of the Award or (ii) requiring the Employee to tender a cash payment to the Company or such Affiliate in an amount equal to the applicable taxes. In the event that shares of common stock that would otherwise be delivered pursuant to the Award are used to satisfy such withholding obligations, the number of shares that may be withheld shall be limited to the number of shares that have a Fair Market Value, on the date of withholding, equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income; *provided, however*, that such withholding may be based on rates in excess of the minimum statutory withholding rates if (A) the Committee (x) determines that such withholding would not result in adverse accounting, tax or other consequences to the Company (other than immaterial administrative, reporting or similar consequences) and (y) authorizes such withholding at such greater rates and (B) the Employee consents to such withholding at such greater rates.

13. **Compliance with Applicable Laws.** The issuance and transfer of shares of common stock shall be subject to compliance by the Company and the Employee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of common stock may be listed. No shares of common stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

14. **Notices.** Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the General Counsel of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Employee under this Agreement shall be in writing and addressed to the Employee at the Employee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

15. **Governing Law.** This Agreement will be construed and interpreted in accordance with the laws of the State of Texas without regard to conflict of law principles thereof.

16. **Interpretation.** Any dispute regarding the interpretation of this Agreement shall be submitted by the Employee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Employee and the Company.

17. **Award Subject to Plan.** This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

18. **Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Employee and the Employee's beneficiaries, executors, administrators and the person(s) to whom the Award may be transferred by will or the laws of descent or distribution.

19. **Severability.** The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

20. **Discretionary Nature of Plan.** The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Award in this Agreement does not create any contractual right or other right to receive any award in the future. Future awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Employee's employment with the Company.

21. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the Award granted hereby; provided, however, that the terms of this Agreement shall not modify, and shall be subject to the terms and conditions of, any employment and/or severance agreement between the Company and its Affiliates and the Employee in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect.

22. **Amendment.** The Committee has the right to amend, alter, suspend, discontinue or cancel the Award, prospectively or retroactively; *provided, however,* that no such amendment

shall adversely affect the Employee's material rights under this Agreement without the Employee's consent.

**23. Section 409A.** Neither the Award nor any of the amounts that may be payable pursuant to this Agreement are intended to constitute or provide for a deferral of compensation that is subject to Section 409A of the Code and the Treasury regulations and other interpretive guidance issued thereunder (collectively, "Section 409A"). Notwithstanding the foregoing, (a) the Company makes no representations that the Award or any amounts payable under this Agreement are exempt from Section 409A and in no event shall the Company or any of its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A, and (b) if any payment provided for under this Agreement would be subject to additional taxes and interest under Section 409A if the Employee's receipt of such payment is not delayed in accordance with the requirements of Section 409A(a)(2)(B)(i) of the Code, then such payment shall not be provided to the Employee (or the Employee's estate, if applicable) until the earlier of, (i) the date of the Employee's death or (ii) the date that is six months after the date of the Employee's separation from service with the Company.

**24. No Impact on Other Benefits.** The value of the Award is not part of the Employee's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

**25. Acceptance.** The Employee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Employee has read and understands the terms and provisions thereof and accepts the Award subject to all of the terms and conditions of the Plan and this Agreement. The Employee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Award or disposition of the underlying shares and that the Employee has been advised to consult a tax advisor prior to such vesting, settlement, or disposition. The Employee acknowledges and agrees that none of the Board, the Committee, the Company, or any of their respective Affiliates have made any representation or warranty as to the tax consequences to the Employee as a result of the receipt of the Award or the vesting, settlement or disposition thereof.

**26. Clawback.** Notwithstanding any provision in this Agreement to the contrary, this Award and all common stock issued hereunder shall be subject to any applicable clawback policies or procedures adopted in accordance with the Plan.

**27. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of this Agreement by facsimile or pdf attachment to electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

**IN WITNESS WHEREOF**, the Company has caused this Agreement to be executed by its duly authorized officer, and the Employee has executed this Agreement, effective for all purposes as provided above.

**CARRIAGE SERVICES, INC.**

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

## **EMPLOYEE**

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**EXHIBIT 1**  
**PERFORMANCE CRITERIA**

**Payout Determination**

The “Payout” shall be determined by the Adjusted Consolidated EBITDA generated by the Company, as calculated in accordance with the Company’s public company reporting practices, during any Measurement Period that occurs during the Performance Period. If the Adjusted Consolidated EBITDA reaches any of the Performance Tiers listed below, the Employee will be entitled to the corresponding Payout, subject to the provisions of the Agreement.

<b>Performance Tiers</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
<b>Adjusted Consolidated EBITDA</b> <i>(in thousands)<sup>2</sup></i>	\$147,007	\$153,789	\$160,653	\$170,100
<b>Compound Annual Growth Rate</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>
<b>Payout</b> <i>(in shares of Company common stock)</i>	<b>TBD</b>	<b>Additional Shares</b> <b>TBD</b>	<b>Additional</b> <b>Shares</b> <b>TBD</b>	<b>Additional</b> <b>Shares</b> <b>TBD</b>

The Employee will be eligible to achieve each of the four tiers during the Performance Period. By way of example:

Example: The Company generates Adjusted Consolidated EBITDA of \$148,000,000 during a Measurement Period, while achieving a compound annual organic growth rate of at least 4%. The Employee will be eligible to receive a Payout of TBD shares.

During a subsequent Measurement Period, the Company generates Adjusted Consolidated EBITDA of \$154,000,000, while achieving a compound annual organic growth rate of at least 4%. The Employee will be eligible to receive a Payout of an additional TBD shares.

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<sup>2</sup> Adjusted Consolidated EBITDA growth targets are based on a baseline of 2025 Adjusted Consolidated EBITDA of \$130,689.

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”), is made and entered into as of February 2, 2026 (the “Effective Date”), by and between Carriage Services, Inc., a Delaware corporation (the “Company”) and Sam A. Mazzu, III (hereafter “Executive”). The Company and Executive may sometimes hereafter be referred to singularly as a “Party” or collectively as the “Parties.”

## WITNESSETH:

**WHEREAS**, the Company desires to continue to secure the employment services of Executive subject to the terms and conditions hereafter set forth;

**NOW, THEREFORE**, in consideration of Executive’s continued employment with the Company, and the premises and mutual covenants contained herein, the Parties hereto agree as follows:

**1. Employment Position and Defined Terms.** During the Employment Period (as defined in Section 4), the Company shall employ Executive, and Executive shall serve, as Vice President, General Counsel and Secretary. Executive shall also serve as an officer of any subsidiary of the Company as may be requested by the Company. Executive shall perform such other duties which are from time to time assigned to them and are not inconsistent with the provisions hereof. Executive’s principal place of Employment shall be at the main business offices of the Company in Houston, Texas. Defined terms used in the Agreement that are not otherwise defined herein when first used are defined in Sections 6(g) and 10(d).

**2. Compensation.**

(a) **Base Salary.** The Company shall pay to Executive during the Employment Period an annual salary at a rate of not less than Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) per full calendar year of service (the “Base Salary”). Executive’s Base Salary may increase at the discretion of the Company or its duly authorized delegate and shall be paid in equal installments in accordance with the Company’s standard policy regarding payment of compensation to similarly situated employees, but no less frequently than monthly. Nothing contained herein shall preclude the payment of any other compensation to Executive at any time as determined by the Company.

(b) **Annual Bonus.** In addition to the Base Salary in Section 2(a), Executive shall be eligible for an annual, discretionary incentive award (the “Annual Bonus”) for each full calendar year that they are employed hereunder, as determined in the sole discretion of the Company (or its duly authorized delegate) upon consideration of, among other things, corporate and individual performance for the year. The Annual Bonus shall be payable before March 15 of the year following the calendar year to which the Annual Bonus relates, following the certification of applicable year-end financial results. Executive must be employed by the Company on the payment date in order to earn and receive an Annual Bonus and thus, Executive shall have no entitlement to any Annual Bonus before that date. For 2026, Executive’s target Annual Bonus shall be up to 50% of base salary. Following 2026, the Executive’s “Target Annual Bonus” shall be established by the Company, or its duly authorized delegate, at the beginning of each year and shall be a percentage of Executive’s Base Salary, not to be less than 50% (it being understood that the actual Annual Bonus eventually earned could be lesser or greater than the Target Annual Bonus).

3. **Duties and Responsibilities of Executive.** During the Employment Period, Executive shall devote their full working time to (a) the business of the Company and its Affiliates and (b) performance of the duties and responsibilities assigned to Executive to the best of Executive's ability and with reasonable diligence. Executive's Employment shall also be subject to the policies maintained and established by the Company, as such policies may be amended from time to time. Executive shall at all times use their best efforts to comply in good faith with laws applicable to Executive's actions on behalf of the Company and its Affiliates.

4. **Term of Employment; Termination Rights.**

(a) **Term.** Executive's term of Employment with the Company under this Agreement shall be for the period from the Effective Date through December 31, 2026 (the "Initial Term").

At the end of the Initial Term, and on each subsequent anniversary thereafter, this Agreement shall automatically renew and extend for a period of 12 months (each such 12-month period being a "Renewal Term"), unless written notice of non-renewal is delivered from either Party to the other not less than sixty (60) days prior to the expiration of the then-existing Initial Term or Renewal Term, as applicable. Notwithstanding the foregoing, Executive's Employment pursuant to this Agreement may be terminated prior to the expiration of the then-existing Initial Term or Renewal Term in accordance with this Agreement.

The period from the Effective Date through the Executive's Termination Date (for whatever reason) shall be referred to herein as the "Employment Period."

(b) **Continued Availability Post-Termination.** Executive agrees to remain available for twelve (12) months beyond the Employment Period during normal business hours to provide reasonable assistance to the Company or its Affiliates in the event that the Company or an Affiliate become involved in litigation (or another type of dispute or controversy) regarding matters of which Executive has relevant knowledge resulting from Executive's Employment; provided that such assistance does not unreasonably interfere with the employment duties of Executive with another employer following the Termination Date. Such post-termination assistance shall be provided by Executive in the capacity of an independent contractor at an agreed-upon, reasonable consulting fee, and shall not be deemed to create or continue an employee-employer or fiduciary relationship, or to represent a continuation of this Agreement.

5. **Benefits.** Subject to the terms and conditions of this Agreement, during the Employment Period, Executive shall be entitled to all of the following:

(a) **Reimbursement of Business Expenses.** The Company shall reimburse Executive for all reasonable travel, entertainment and other business expenses paid or incurred by Executive in the performance of duties hereunder, provided that such expenses are incurred and accounted for in accordance with the expense reimbursement policies and procedures established by the Company from time to time. Such reimbursement shall in all cases be made in compliance with Section 30.

(b) **Discretionary Vacation Time.** Executive's work is routinely performed outside of a traditional work schedule and Executive is required to manage their own work schedule and time away from work, including vacation and personal time, in a manner that allows Executive to fulfill their duties and does not negatively impact the Company. Executive is not entitled to a fixed amount of vacation or personal time and will not accrue vacation or personal time balances.

(c) **Other Employee Benefits.** Executive shall be entitled to participate in any retirement, 401(k), profit-sharing, and other employee benefits plans or programs of the Company to the same extent as available to other similarly situated employees of the Company under the terms of such plans or programs. Executive shall also be entitled to participate in any

group insurance, hospitalization, medical, dental, health, life, accident, disability and other employee benefits plans or programs of the Company to the extent available to other similarly situated employees of the Company, and their spouses and eligible dependents, under the terms of such plans or programs including, without limitation, any medical expense reimbursement account and post-retirement medical program as made available to other similarly situated employees of the Company.

(d) **Equity Incentive Awards.** Executive shall be eligible to participate in the Company's 2017 Omnibus Incentive Plan, as it may be amended from time to time (the "LTIP"), or any other incentive plan sponsored by the Company which provides for equity grants of incentive awards. The terms and conditions of any equity incentive award granted to Executive shall be set forth in the incentive plan document and award agreement governing such award.

The Executive's "Target Annual Long Term Incentive Award" shall be established by the Company, or its duly authorized delegate, at the beginning of each year and shall be a percentage of Executive's Base Salary, not to be less than 50% (it being understood that the actual Target Annual Long Term Incentive Award eventually earned could be lesser or greater than the Target Annual Bonus).

**6. Rights and Payments upon Termination.** The Executive's right to compensation and benefits for periods after the Termination Date shall be determined in accordance with this Section 6. Except as otherwise expressly required by law or as specifically provided in an employee benefit plan or under this Agreement, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts under this Agreement shall cease upon the Termination Date.

(a) **Minimum Payments.** As of the Termination Date, Executive shall be entitled to the following minimum payments under this Section 6(a), in addition to any other payments or benefits which Executive is entitled to receive under the terms of any employee benefit plan or program, state law, Company policy, or under Section 6(b):

(1) accrued but unpaid Base Salary through the Termination Date; provided that, if Executive's termination is due to Disability, such amount shall be net of the amount of any benefits received or payable under any disability insurance policy maintained by the Company for Executive, if applicable, which policy provides for income replacement benefits due to the Executive's inability to work as the result of their qualifying Disability; and

(2) reimbursement of reasonable business expenses that were incurred but unpaid as of the Termination Date.

Amounts payable under this Section 6(a) shall be paid in accordance with the Company's normal procedures for making payments following termination of Employment by a similarly situated employee.

(b) **Severance Payments.**

(1) Death. If Executive dies during the Initial Term or any then-existing Renewal Term and while in Employment, the Company shall pay Executive's Designated Beneficiary (A) the Executive's Base Salary, in installments, through the end of the Initial Term or any then-existing Renewal Term which was in effect at the time of Executive's death; and (B) a pro rata amount of the Target Annual Bonus described in Section 2(b) for the year in which the death occurred, based on the number of days Executive was employed in such year in comparison to 365, and based on actual performance of any applicable performance metrics through the end of the performance period. Such amounts shall be paid to Executive's Designated Beneficiary by no later than the date necessary to qualify each such payment as a "short-term deferral" within the meaning of Treas. Reg. § 1.409A 1(b)(4).

(2) Disability. If, during the Initial Term or any then-existing Renewal Term, Executive's Employment is terminated by the Company due to Executive's Disability, the Company shall, subject to Section 6(e), pay Executive (A) the Executive's Base Salary, in installments, through the end of the Initial Term or any then-existing Renewal Term which was in effect at the time of Executive's disability; and (B) pay Executive a pro rata amount of the Target Annual Bonus described in Section 2(b) for the year in which the Termination Date occurred, based on the number of days Executive was employed in such year in comparison to 365, and based on actual performance of any applicable performance metrics through the end of the performance period. Such pro rata amount of the Target Annual Bonus shall be paid on the later of (1) the Company's first regular payroll date that occurs after the Release (as defined in Section 6(e), below) is no longer revocable (the "First Payment Date"), or (2) the payment date that an Annual Bonus for the year of termination otherwise would have been payable pursuant to Section 2(b), had Executive's Employment not been terminated (provided, that, in no event shall such payment occur later than the date necessary to qualify such payment as a "short-term deferral" within the meaning of Treas. Reg. § 1.409A 1(b)(4)).

(3) Involuntary Termination Without Cause (Other than Due to Death or Disability) Not Within Corporate Change Period. If Executive's Employment is terminated by the Company without Cause (other than on account of Executive's death or Disability), and such Termination Date does not occur within a Corporate Change Period, the Company shall, subject to Section 6(e), provide to Executive (A) continued payment of Executive's Base Salary as in effect on the Termination Date, in arrears, for a period of 12 months following the Termination Date, where the first such payment shall be made on the First Payment Date and shall include all payments, if any, without interest, that would have otherwise been made pursuant to this Section 6(b)(3)(A) between the Termination Date and the First Payment Date; and (B) a pro rata amount of the Target Annual Bonus described in Section 2(b), for the year in which the Termination Date occurred, based on the number of days Executive was employed in such year in comparison to 365, and based on actual performance of any applicable performance metrics through the end of the performance period, where such pro rata amount of the Target Annual Bonus shall be paid on the later of (i) the First Payment Date or (ii) the payment date that an Annual Bonus for the year of termination otherwise would have been payable pursuant to Section 2(b), had Executive's Employment not been terminated (provided, that, in no event shall such payment occur later than the date necessary to qualify such payment as a "short-term deferral" within the meaning of Treas. Reg. § 1.409A 1(b)(4)).

(4) Involuntary Termination Without Cause (Other than Due to Death or Disability) Within Corporate Change Period or Termination by Executive for Good Reason Within Corporate Change Period. If Executive's Employment is terminated by the Company without Cause (other than on account of Executive's death or Disability) during a Corporate Change Period, or if Executive terminates their Employment due to Good Reason during a Corporate Change Period, the Company shall, subject to Section 6(e), provide to Executive (A) a lump sum equal to two times the sum of (i) Executive's Base Salary as in effect on the Termination Date (or as of the date of the Corporate Change, if higher), plus (ii) Executive's Target Annual Bonus, with such total amount to be paid on the First Payment Date.

(5) Other Termination of Employment. For purposes of clarity, in the event that (A) Executive voluntarily resigns or otherwise voluntarily terminates Employment, except due to Good Reason within a Corporate Change Period, or (B) Executive's Employment is terminated due to Cause then, in any such event under clause (A) or (B), the Company shall have no obligation to provide the severance benefits described in this Section 6(b) or the coverage described in Section 6(c), except to offer COBRA coverage (as required by COBRA law) but not at the rate described in Section 6(c). However, Executive shall still be entitled to the minimum benefits provided under Section 6(a).

(6) No Duplication of Severance Benefits. The severance payments provided under this Section 6(b) shall supersede and replace any severance payments under any severance pay plan or similar agreement that the Company or any Affiliate maintains for key management employees or employees generally.

(c) ***Subsidized COBRA Coverage for Certain Terminations.***

The provisions of this Section 6(c) shall apply only with respect to an Executive who becomes entitled to receive benefits under Section 6(b)(1), (2), (3) or (4) on account of their qualifying termination from Employment:

(1) In the event that Executive timely elects continuation coverage under any of the Company's "group health plans" within the meaning of Treasury Regulations Section 54.4980B-2 Q/A-1 (collectively, the "Health Plan") on behalf of herself and any of their eligible covered dependents (including their spouse) pursuant to COBRA, following the Termination Date, the Company shall, subject to Section 6(e), pay on Executive's behalf or reimburse Executive for an amount equal to the monthly premium for such COBRA coverage for each month during which such COBRA coverage is in effect during the period commencing on the Termination Date and ending upon the earliest of (x) the date that is eighteen (18) months following the Termination Date, (y) the date that Executive and Executive's covered dependents become no longer eligible for COBRA coverage, or (z) the date Executive becomes eligible to receive group healthcare coverage from a subsequent employer (and Executive agrees to promptly notify the Company of such eligibility). In all other respects, Executive and their dependents shall be treated the same as any other qualified beneficiaries under the Health Plan and COBRA.

(2) Notwithstanding Section 6(c)(1) to the contrary, the Company may alter the manner in which health benefits are provided to Executive under such Section following termination of Executive's Employment to the extent the Company reasonably determines is necessary for purposes of satisfying Code Section 105(h)(2) or avoiding the imposition of an excise tax on the Company or any of its Affiliates, provided that such alterations do not materially decrease coverage or increase the after-tax cost to Executive of such benefits.

(d) **Accelerated Vesting of Equity Awards.** To the extent Executive received any equity incentive award that is not fully vested as of the Termination Date, the following shall apply with respect to each such award, unless the applicable award agreement provides for more generous treatment of such award:

(1) subject to compliance with the Release requirements in Section 6(e), if Executive becomes entitled to receive benefits under Section 6(b)(1), (2) or (4) on account of their qualifying termination from Employment, (i) Executive shall become immediately 100% vested in any outstanding awards of restricted stock, stock options and any other equity incentive awards granted under the LTIP (or any other equity incentive plan of the Company) that vest solely based on the passage of time, and (ii) with respect to any awards that vest based on the attainment of performance-based vesting conditions, Executive shall be considered to have remained in Employment through the end of the applicable performance period (with any such award being paid out within 60 days following the end of the applicable performance period, provided that applicable performance targets have been met); and

(2) except as specifically provided in Section 6(d)(1), all unvested equity incentive awards shall be treated in accordance with the terms of the outstanding award agreement or plan document, as applicable.

(e) **Release Agreement.** Notwithstanding any provision of the Agreement to the contrary, in order to receive the vesting acceleration provided under Section 6(d), or the severance payments and benefits provided under Sections 6(b) or (c), the Executive must first execute an appropriate release agreement (on a form provided by the Company) (a "Release") whereby the Executive agrees to release and waive, in return for such vesting acceleration or severance benefits, any claims that Executive may have against the Company or any of its Affiliates including, without limitation, for unlawful discrimination (e.g., Title VII of the Civil Rights Act); provided, however, such release agreement shall not release any claim or cause of action by or on behalf of the Executive for (a) any payment or benefit that may be due or payable under this Agreement or any vested benefits under any employee benefit plan or program or (b) non-payment of salary or benefits to which Executive is entitled from the Company as of the Termination Date. The Release must be provided to Executive within five (5) days following the Termination Date, and signed by Executive and returned to the Company, and any applicable revocation period must have expired, no later than thirty (30) days following the Termination Date.

(f) **Reduction of Payments.** Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in Code Section 280G(c)), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its Affiliates (collectively, "Total Payments"), would constitute a "parachute payment" (as defined in Code Section 280G(b)(2)), then the payments and benefits provided for in this Agreement shall either (i) be paid in full, or (ii) be reduced (but not below zero) so that the present value of such Total Payments will be one dollar (\$1.00) less than three times Executive's "base amount" (as defined in Code Section 280G(b)(3)) and so that no portion of such amounts and benefits received by

Executive shall be subject to the excise tax imposed by Code Section 4999, whichever results in the receipt by Executive on an after-tax basis of the greatest amount of Total Payments (taking into account the applicable federal, state and local income taxes, the excise tax imposed by Code Section 4999 and all other taxes (including any interest and penalties) payable by Executive). All determinations required to be made under this Section 6(f), including whether reductions are necessary, shall be made in good faith by the Company, or, in the discretion of the Company, by an accounting or financial consulting firm selected in good faith by the Company for such purposes (the "Auditor"). The Auditor shall provide detailed supporting calculations both to the Company and to Executive. All fees and expenses of the Auditor shall be borne solely by the Company. The reduction of payments and benefits hereunder, if applicable under clause (ii) above, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 6(f) shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under Code Section 4999.

(g) **Definitions.**

(1) "Affiliate" means any incorporated or unincorporated trade or business or other entity or person, other than the Company, that along with the Company is considered a single employer under Code Section 414(b) or Code Section 414(c); provided, however, (a) in applying Code Section 1563(a)(1), (2), and (3) for purposes of determining a controlled group of corporations under Code Section 414(b), the phrase "at least 50 percent" shall be used instead of the phrase "at least 80 percent" in each place the phrase "at least 80 percent" appears in Code Section 1563(a)(1), (2), and (3), and (b) in applying Treasury Regulation Section 1.414(c)-2 for the purposes of determining trades or businesses (whether or not incorporated) that are under common control for the purposes of Code Section 414(c), the phrase "at least 50 percent" shall be used instead of the phrase "at least 80 percent" in each place the phrase "at least 80 percent" appears in Treasury Regulation Section 1.414(c)-2.

(2) "Board" means the then-current Board of Directors of the Company.

(3) "Cause" means any of the following: (A) Executive's conviction of, or plea of no contest to, a misdemeanor involving moral turpitude or a felony; (B) Executive's repeated failure or refusal to perform all of their duties, obligations and agreements herein contained or imposed by law, including their fiduciary duties, to the reasonable satisfaction of the Board; (C) Executive's commission of acts amounting to gross negligence or willful misconduct to the material detriment of the Company; or (D) Executive's material breach of any provision of this Agreement or uniformly applied provision of the Company's employee handbook or other personnel policies, including without limitation, its Code of Business Conduct and Ethics. Such determination of "Cause" shall be made by the Board and, in the event of circumstances described in clause (B) or (D) above, the Board shall give written notice to Executive specifying such circumstances and providing a period of 30 days in which Executive shall be allowed to cure such circumstances, if capable of cure.

- (4) “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
- (5) “Code” means the Internal Revenue Code of 1986, as amended.
- (6) “Compensation Committee” means the Compensation Committee of the Board.
- (7) “Corporate Change” means a “Corporate Transaction” or “Change in Control” (as defined in the LTIP).
- (8) “Corporate Change Period” means the 24-month period following the occurrence of a Corporate Change.
- (9) “Designated Beneficiary” means the Executive’s surviving spouse, if any. If there is no such surviving spouse at the time of Executive’s death, then the Designated Beneficiary hereunder shall be Executive’s estate after the legal representative of such estate provides satisfactory evidence thereof to the Company (or its delegate) within the one-year period following Executive’s date of death.
- (10) “Director” means a Board member.
- (11) “Disabled” or “Disability” shall mean that Executive has become incapacitated by accident, illness or other circumstance which has rendered them mentally or physically incapable of performing the duties and services required of them hereunder on a full-time basis for a period of at least 365 consecutive days. Evidence of such Disability shall be certified by a physician acceptable to both the Company and Executive. In the event that the Parties are not able to agree on the choice of a physician, each shall select one physician who, in turn, shall select a third physician to render such certification. All reasonable costs directly relating to the determination of whether Executive has incurred a Disability for purposes of this Agreement shall be paid by the Company.
- (12) “Dispute” means any dispute, disagreement, claim, or controversy arising from, in connection with, or relating to (A) the Employment, or termination of Employment, of Executive, or (B) the Agreement, or the validity, interpretation, performance, breach or termination of the Agreement.
- (13) “Employment” means employment by the Company or any Affiliate.
- (14) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (15) “Good Reason” means the occurrence of any of the following actions if taken without Executive’s prior written consent: (A) any material breach by the Company to comply with its obligations under the terms of the Agreement; (B) any material diminution in the Executive’s responsibilities, authority or duties, (C) a 10% or greater reduction of the sum of Executive’s Base Salary and Target Annual Bonus; or (D) any change greater than 50 miles in the permanent location at which Executive performs services for the Company. The Executive shall give written notice to the Board specifying such actions within 90 days of the initial existence of such action and providing a period of 30 days in which the Company shall be allowed to cure such circumstances. Provided that the condition purporting to give rise to the Good Reason event is not cured within the 30-day cure period, Executive must exercise their right to

terminate this Agreement for Good Reason within 120 days after the initial existence of the Good Reason event.

(16) “Termination Date” means the date on which Executive’s Employment terminates for whatever reason.

7. **Notice of Termination.** Any termination of Executive’s Employment by the Company or the Executive other than for death shall be communicated by Notice of Termination to the other Party hereto. For purposes of this Agreement, the term “Notice of Termination” means (a) a written notice which indicates the specific termination provision of this Agreement relied upon, (b) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s Employment under the provision so indicated, and (c) specifies a Termination Date which, if submitted by Executive, shall be at least thirty (30) days following the date of such Notice of Termination unless such termination is for Good Reason within a Corporate Change Period (in which case the requirements for a termination due to Good Reason shall apply); provided, however, that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Termination Date to any date that occurs following the date of receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of Termination submitted by the Company may provide for a Termination Date on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. The failure by the Company or Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive or otherwise prejudice any right of such Party hereunder or preclude such Party from asserting such fact or circumstance in enforcing such Party’s rights hereunder.

8. **No Mitigation.** Except as provided in Section 6(f) regarding excess parachute payments, Executive shall not be required to mitigate the amount of any payment or other benefits provided under this Agreement by seeking other employment or in any other manner.

9. **Restrictive Covenants.** As an inducement to the Company to enter into this Agreement, Executive represents to, and covenants with or in favor of, the Company that Executive will comply with all of the restrictive covenants in Sections 10 through 16, as a condition to the Company’s obligation to provide any benefits to Executive under this Agreement.

10. **Trade Secrets.**

(a) **Access to Trade Secrets.** As of the Effective Date and on an ongoing basis, the Company agrees to give Executive access to Trade Secrets which the Executive did not have access to, or knowledge of, before Executive’s commencement of Employment.

(b) **Agreement Not to Use or Disclose Trade Secrets.** In exchange for the Company’s promises to provide Executive with access to Trade Secrets, and the other consideration and benefits provided to Executive under this Agreement, Executive agrees that, during the Employment Period and any time thereafter, not to disclose to anyone, including, without limitation, any person, firm, corporation or other entity, or publish or use for any purpose, any Trade Secrets, except (1) as required in the ordinary course of the business of the Company or an Affiliate or (2) as authorized by the Company or Affiliate, as applicable. Executive acknowledges that Trade Secrets (A) have been and will be developed or acquired by the Company (or an Affiliate) through the expenditure of substantial time, effort and money and (B) provide the Company (or an Affiliate) with an advantage over competitors who do not know or use Trade Secrets.

Executive shall hold in a fiduciary capacity for the benefit of the Company (or its Affiliate, as applicable) any Trade Secret relating to the Company or any of its Affiliates, and their respective businesses, which (a) has been obtained by Executive during their Employment and (b) is not public knowledge other than via an unauthorized disclosure made by Executive in

violation of this Agreement. Executive acknowledges and agrees that all Trade Secrets are, and will continue to be, the exclusive property of the Company or Affiliate, as applicable.

Executive shall not at any time disclose to any person or entity, or publish, or use for any unauthorized purpose, any Trade Secret, except as the Company directs or under compulsion of law. Executive agrees to give notice to the Company of any attempt to compel disclosure of any Trade Secret within five (5) business days after Executive is informed that such disclosure is being, or will be, compelled. Any such notice shall contain a copy of the subpoena, order or other process used to compel disclosure.

The agreements and covenants in this Section 10(b) apply to all Trade Secrets, whether now known or later to become known to Executive. In addition, these provisions shall be in addition to, and not limit or restrict in any way, any other confidentiality agreement or covenant between the Executive and the Company or any of its Affiliates.

(c) ***Agreement to Refrain from Defamatory Statements.*** Executive shall refrain, both during the Employment Period and thereafter, from publishing any oral or written statements about any directors, partners, officers, employees, agents, investors or representatives of the Company or any Affiliate that are (1) slanderous, libelous, or defamatory; (2) disclose private or confidential information about the business affairs, directors, partners, officers, employees, agents, investors or representatives of the Company or any Affiliate; (3) constitute an intrusion into the seclusion or private lives of any such person; (4) give rise to unreasonable publicity about the private life of any such person; (5) place any such person in a false light before the public; or (6) constitute a misappropriation of the name or likeness of any such person.

(d) ***Definitions.*** The following terms, when used in this Agreement, are defined below:

(1) “Restricted Territory” means any county, or equivalent political or governmental subdivision, of any state, district, or territory of the continental United States in which the Company or any of its Affiliates conducts its business; and any area adjacent to such counties, or equivalent political or governmental subdivision, to the extent such adjacent areas are within a 50-mile radius of any funeral home, cemetery or other death care business owned or operated by the Company or any of its Affiliates as of the Termination Date.

(2) “Trade Secrets” means any and all information and materials (in any form or medium) that are proprietary to the Company or an Affiliate, or are treated as confidential by the Company or an Affiliate as part of, or relating to, any portion of its or their businesses (whether or not owned or developed by the Company or an Affiliate) and that are not generally known by other persons or entities in the same type of business.

For purposes of the Agreement, Trade Secrets include, without limitation, the following: all of the Company’s or Affiliate’s research, technical and business information, whether patentable or not, which is of a confidential, trade secret or proprietary character, and which is either developed by the Executive alone, or with others or by others; all non-public information that the Company or an Affiliate has marked as confidential or has otherwise described to Executive (either in writing or orally) as confidential; all non-public information concerning the Company’s or Affiliate’s products, services, prospective products or services, research, prospects,

leases, designs, prices, costs, marketing plans, marketing techniques, studies, customers, investors, suppliers and contracts; all business records and plans; all personnel files; all financial information of or concerning the Company or an Affiliate; all information relating to the Company's operating system software, application software, software and system methodology, hardware platforms, technical information, inventions, computer programs and listings, source codes, object codes, copyrights and other intellectual property; all technical specifications; any proprietary information belonging to the Company or an Affiliate; all computer hardware or software manuals of the Company or an Affiliate; all Company or Affiliate training or instruction manuals; all Company or Affiliate electronic data; and all computer system passwords and user codes.

**11. Duty to Return Company Documents and Property.** Upon the Termination Date, Executive shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or relating to its business, in Executive's possession, whether prepared by Executive or others. If at any time after the Termination Date, Executive determines that Executive has any Trade Secrets in Executive's possession or control, Executive shall immediately return them to the Company, including all copies thereof.

**12. Best Efforts and Disclosure.** Executive agrees that, while employed with the Company under this Agreement, Executive's services shall be devoted on a full time basis to the Company's business, and Executive shall use best efforts to promote its success. Further, Executive shall promptly disclose to the Company all ideas, inventions, computer programs, and discoveries, whether or not patentable or copyrightable, which Executive may conceive or make, alone or with others, during Executive's period of Employment, whether or not during working hours, and which directly or indirectly:

- (a) relate to a matter within the scope, field, duties or responsibility of Executive's Employment or within the scope or field of the Company's or an Affiliate's business; or
- (b) are based on any knowledge of the actual or anticipated business or interests of the Company; or
- (c) are aided by the use of time, materials, facilities or information of the Company or an Affiliate.

Executive assigns to the Company, without further compensation, any and all rights, titles and interest in all such ideas, inventions, computer programs and discoveries in all countries of the world.

**13. Inventions and Other Works.** Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Executive may make, conceive, discover, or develop, either solely or jointly with any other person or persons, at any time during Executive's period of Employment, whether at the request or upon the suggestion of the Company or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Executive agrees to take any and all actions necessary or appropriate so that the Company can prepare and present applications for copyright or letters patent therefor, and secure such copyright or letters patent wherever possible, as well as reissue renewals, and extensions thereof, and obtain the record title to such copyright or patents. Executive shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques. Executive

acknowledges that the Company from time to time may have agreements with other persons or entities which impose obligations or restrictions on the Company regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. Executive agrees to be bound by all such obligations and restrictions, and to take all action necessary to discharge the obligations of the Company.

**14. Non-Solicitation Restriction.** Executive hereby agrees that in order to protect Trade Secrets, it is necessary to enter into the following restrictive covenant, which is ancillary to the enforceable promises between the Company and Executive in Sections 9 through 13 and other provisions of this Agreement. During the Executive's Employment and for a period of one (1) year following the Termination Date (regardless of the reason for termination), Executive hereby covenants and agrees that he will not, directly or indirectly, without obtaining the express written consent of the Board, either individually or as a principal, partner, agent, consultant, contractor, employee, or as a director or officer of any entity, or in any other manner or capacity whatsoever, except on behalf of the Company, solicit business, attempt to solicit business, or conduct business, in products or services competitive with any products or services offered or performed by the Company or its Affiliates as of the Termination Date within the Restricted Territory.

**15. Non-Competition Restriction.** Executive hereby agrees that in order to protect Trade Secrets, it is necessary to enter into the following restrictive covenant, which is ancillary to the enforceable promises between the Company and Executive in Sections 9 through 14 and other provisions of this Agreement. Executive hereby covenants and agrees that during Executive's period of Employment, and for a period of one (1) year following the Termination Date (regardless of the reason for termination), Executive will not, without obtaining the express written consent of the Company, engage in any capacity, directly or indirectly (whether as proprietor, stockholder, director, partner, employee, agent, independent contractor, consultant, trustee, or in any other capacity), with respect to any entity which is or may be in the funeral, mortuary, crematory, cemetery or burial insurance business or in any business related thereto within the Restricted Territory (in each case, a "Competing Enterprise"); provided, however, Executive shall not be deemed to be participating or engaging in a Competing Enterprise solely by virtue of the ownership of not more than one percent (1%) of any class of stock or other securities which are publicly traded on a national securities exchange or in a recognized over-the-counter market.

**16. No Recruitment Restriction.** Executive agrees that during Executive's period of employment with the Company or its Affiliates, and for a period of one (1) year following the Termination Date (regardless of the reason for termination), without obtaining the express written consent of the Company, Executive shall not, either directly or indirectly, or by acting in concert with another person or entity, (a) hire any employee or independent contractor performing services for the Company or any Affiliate, or any such individual who performed services for the Company or any Affiliate at any time during the one-year period ending on the Termination Date, or (b) solicit or influence or seek to solicit or influence, any employee or independent contractor performing services for the Company or any Affiliate, or any such individual who performed services for the Company or any Affiliate at any time during the one-year period ending on the Termination Date, to terminate, reduce or otherwise adversely affect such individual's employment or other relationship with the Company or any Affiliate.

**17. Tolling.** If Executive violates any of the restrictions contained in Sections 9 through 16, then notwithstanding any provision hereof to the contrary, the restrictive period will be suspended and will not run in favor of Executive from the time of the commencement of any such violation, unless and until such time when the Executive cures the violation to the reasonable satisfaction of the Company.

**18. Reformation.** If a court or arbitrator rules that any time period or the geographic area specified in any restrictive covenant in Sections 9 through 16 is unenforceable, then the time period will be reduced by the number of months, or the geographic area will be reduced by the elimination of such unenforceable portion, or both, so that the restrictions may be enforced in the geographic area and for the time to the full extent permitted by law.

**19. No Previous Restrictive Agreements.** Executive represents that, except as disclosed in writing to the Company as of the Effective Date, Executive is not bound by the terms of any agreement with any previous employer or other third party to (a) refrain from using or disclosing any confidential or proprietary information in the course of Executive's Employment or (b) refrain from competing, directly or indirectly, with the business of such previous employer or any other person or entity. Executive further represents that Executive's performance under this Agreement and work duties for the Company do not, and will not, breach any agreement to keep in confidence any proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's Employment, and Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

**20. Conflicts of Interest.** In keeping with Executive's fiduciary duties to the Company, Executive hereby agrees that Executive shall not become involved in a conflict of interest, or upon discovery thereof, allow such a conflict to continue at any time during Executive's period of Employment. In this respect, Executive agrees to fully comply with the conflict of interest agreement entered into by Executive as an employee, officer or director of the Company or an Affiliate. In the instance of a violation of the conflict of interest agreement to which Executive is a party, it may be necessary for the Company to terminate Executive's Employment for Cause.

**21. Remedies.** Executive acknowledges that the restrictions contained in Sections 9 through 20 of this Agreement, in view of the nature of the Company's business, are reasonable and necessary to protect the Company's legitimate business interests, and that any violation of this Agreement would result in irreparable injury to the Company. In the event of a breach or a threatened breach by Executive of any provision of Sections 9 through 20 of this Agreement, the Company shall be entitled to a temporary restraining order and injunctive relief restraining Executive from the commission of any breach, and to recover the Company's attorneys' fees, costs and expenses related to the breach or threatened breach. Nothing contained in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such breach or threatened breach, including, without limitation, the recovery of money damages, attorneys' fees, and costs. These covenants and agreements shall each be construed as independent of any other provisions in this Agreement, and the existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants and agreements.

**22. No Interference.** Notwithstanding any other provision of this Agreement, (a) Executive may disclose confidential information when required to do so by a court of competent jurisdiction, by any governmental agency having authority over Executive or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order Executive to divulge, disclose or make accessible such information, in each case, subject to Executive's obligations to notify the Company under Section 10(b); and (b) nothing in this Agreement is intended to interfere with Executive's right to (1) report possible violations of state or federal law or regulation to any governmental or law enforcement agency or entity; (2) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies); (3) file a claim or charge any governmental agency or entity; or (4) testify, assist, or participate in an investigation, hearing, or proceeding conducted by any governmental or law enforcement agency or entity, or any court. For purposes of clarity, in making or initiating any such reports or disclosures or engaging in any of the conduct outlined in subsection (b), above, Executive may disclose confidential information to the extent necessary to such governmental or law enforcement agency or entity or such court, need not seek prior authorization from the Company, and is not required to notify the Company of any such reports, disclosures or conduct.

**23. Defend Trade Secrets Act.** Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (1) in

confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation against the Company for reporting a suspected violation of law, Executive may disclose the Company's trade secrets to Executive's attorney and use the trade secret information in the court proceeding if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

**24. Withholdings; Right of Offset.** The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling, (b) all other normal employee deductions made with respect to Company's employees generally, and (c) any advances made to Executive and owed to Company.

**25. Severability.** It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction, the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.

**26. Title and Headings; Construction.** In the interpretation of the Agreement, except where the context clearly otherwise requires:

- (a) "including" or "include" does not denote or imply any limitation;
- (b) "or" has the inclusive meaning "and/or";
- (c) the singular includes the plural, and vice versa, and each gender includes each of the others;
- (d) captions or headings are only for reference and are not to be considered in interpreting the Agreement;
- (e) "Section" refers to a Section of the Agreement, unless otherwise stated in the Agreement;
- (f) the words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement and not to any particular provision; and
- (g) a reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof or as the successor thereto.

**27. Governing Law; Jurisdiction.** All matters or issues relating to the interpretation, construction, validity, and enforcement of this Agreement shall be governed by the laws of the State of Texas, without giving effect to any choice-of-law principle that would cause the application of the laws of any jurisdiction other than Texas. Jurisdiction and venue of any action or proceeding relating to this Agreement or any Dispute must be brought, if at all, in a state district court in Harris County, Texas or federal district court in the Southern District of Texas, Houston Division. Each party submits to the jurisdiction of such courts and agrees not to raise any objection to such jurisdiction.

**28. Binding Effect; Third Party Beneficiaries.** Subject to Section 33, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and to their respective heirs,

executors, beneficiaries, personal representatives, successors and permitted assigns hereunder; otherwise this Agreement shall not be for the benefit of any third parties.

**29. Entire Agreement; Amendment and Termination.** This Agreement replaces and merges all previous agreements, amendments and discussions relating to the same or similar subject matters between Executive and Company (or any of its Affiliates) and constitutes the entire agreement between the Executive and the Company (and any of its Affiliates) with respect to the subject matter of this Agreement. Any existing employment agreement between the Executive and the Company (or any of its Affiliates) is hereby terminated, effective immediately. This Agreement may be amended, waived or terminated only by a written instrument that is identified as an amendment, waiver or termination hereto, and is executed on behalf of both Parties. Executive hereby acknowledges and represents that in executing this Agreement, they did not rely on, has not relied on, and specifically disavows any reliance on any communications, promises, statements, inducements, or representation(s), oral or written, by the Company, except as expressly contained in this Agreement. The Parties represent that they relied on their own judgment, and on the advice of legal counsel for such Party, if applicable, in entering into this Agreement.

**30. Section 409A.**

(a) ***General.*** Any provisions of the Agreement that are subject to Section 409A of the Code and the regulations and other authoritative guidance issued thereunder ("Section 409A"), are intended to comply with all applicable requirements of Section 409A, or an exemption from the application of Section 409A, and shall be interpreted and administered accordingly. Notwithstanding any provision of this Agreement to the contrary, a termination of Employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amount or benefit that constitutes "non-qualified deferred compensation" (within the meaning of Section 409A) upon or following a termination of the Executive's Employment unless such termination is also a "separation from service" (as defined under Section 409A) (a "Separation from Service") and, for purposes of any such provision, references herein to a "termination," "termination of employment" or like terms shall mean a Separation from Service, if applicable. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A. In no event may the Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement.

(b) ***Specified Employee.*** Notwithstanding any provision of this Agreement to the contrary, if any payment or other benefit provided hereunder would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as required by Section 409A for a "specified employee" (as defined under Section 409A), then if the Executive is on the date of Executive's Separation from Service a specified employee, any such payment or benefit that Executive would otherwise be entitled to receive during the first six months following the Separation from Service shall be accumulated and paid in a lump sum within ten (10) days after the date that is six months following the date of the Separation from Service, or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes and interest such as, for example, upon the Executive's death. Any remaining payments due to Executive under this Agreement shall be paid as otherwise provided in this Agreement.

(c) ***Reimbursements and In-Kind Benefits.*** Notwithstanding any provision of this Agreement to the contrary, any reimbursements or in-kind benefits provided under this Agreement that constitute "deferred compensation" within the meaning of Section 409A shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for other benefits.

(d) **No Section 409A Representations.** Notwithstanding the foregoing, the Company makes no representations, warranties, or guarantees regarding the tax consequences of this Agreement, or any payments made hereunder, under Section 409A or otherwise, and has advised the Executive to consult with Executive's own tax advisor.

**31. Survival of Certain Provisions.** Provisions of this Agreement which by their terms must survive the termination of this Agreement shall survive any such termination of this Agreement or termination of Executive's Employment, as applicable, including, without limitation, Executive's obligations under Sections 9 through 16 and the Company's obligations under Section 6.

**32. Waiver of Breach.** No waiver by any party hereto of a breach of any provision of this Agreement by any other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of any party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time while such breach continues.

**33. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company and its Affiliates (and its and their successors), as well as upon any person or entity acquiring, whether by merger, consolidation, purchase of assets, dissolution or otherwise, all or substantially all of the capital stock, business and/or assets of the Company (or its successor) regardless of whether the Company is the surviving or resulting entity. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, dissolution or otherwise) to all or substantially all of the capital stock, business or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had occurred; provided, however, no such assumption shall relieve the Company or any of its Affiliates (or any successor thereof) of any of its duties or obligations hereunder unless otherwise agreed, in writing, by Executive.

This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representative, executors, administrators, successors, and heirs. In the event of the death of Executive while any amount is payable hereunder, all such amounts shall be paid to the Designated Beneficiary.

**34. Notice.** Each notice or other communication required or permitted under this Agreement shall be in writing and transmitted, delivered, or sent by personal delivery, prepaid courier or messenger service (whether overnight or same-day), or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other party at the address for that party set forth below that party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other party, by electronic mail, delivery and read receipt required, or by facsimile, confirmation of delivery required.

Each notice or communication so transmitted, delivered, or sent (a) in person, by courier or messenger service, or by certified United States mail shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal), or (b) by telecopy or facsimile shall be deemed given received) and effective on the date of actual receipt (with the confirmation of transmission being deemed conclusive evidence of receipt, except where the intended recipient has promptly notified the other party that the transmission is illegible). Nevertheless, if the date of delivery or transmission is not a business day, or if the delivery or transmission is after 5:00 p.m. (local time) on a business day, the notice or other communication shall be deemed given, received, and effective on the next business day.

**35. Deemed Resignations.** Unless otherwise agreed to in writing by the Company and Executive prior to the termination of Executive's Employment, any termination of Executive's Employment shall constitute: (a) an automatic resignation of Executive as an officer of the Company and each Affiliate and subsidiary of the Company, as applicable, and (b) an automatic resignation of Executive from the Board (if applicable), from the board of directors of any Affiliate and subsidiary of the Company (if applicable), and from the board of directors or any similar governing body of any corporation, limited liability entity or other entity (i) in which the Company or any Affiliate or subsidiary holds an equity interest and (ii) with respect to which board or similar governing body the Executive serves as the Company's or such Affiliate's or subsidiary's designee or other representative (if applicable).

**36. Executive Acknowledgment.** Executive acknowledges (a) being knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) having read this Agreement and understanding its terms and conditions, (c) having been given an ample opportunity to discuss this Agreement with their personal legal counsel prior to execution, and (d) that no strict rules of construction shall apply for or against the drafter or any other party. Executive hereby represents that they are free to enter into this Agreement including, without limitation, that they are not subject to any covenant not to compete, confidentiality agreement or other restrictive agreement or covenant, with former employer or otherwise, that could conflict with this Agreement or their duties hereunder.

**37. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party hereto, but together signed by both Parties.

**IN WITNESS WHEREOF,** Executive has executed this Agreement, the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the Effective Date.

***EXECUTIVE:***

\_\_\_\_\_  
**Sam A. Mazzu, III**

*Address for Notices:*  
 2625 Wroxtton Rd.,  
 Houston, TX 77005

***COMPANY:***  
 CARRIAGE SERVICES, INC.

By: \_\_\_\_\_  
 Name: Carlos R. Quezada  
 Title: **Chief Executive Officer & Vice Chairman**

*Address for Notices:*  
 Carriage Services, Inc.  
 3040 Post Oak Blvd, Suite 300  
 Houston, Texas 77056

Attn: Legal Department

I, Carlos R. Quezada, certify that:

1. I have reviewed this report on Form 10-Q of Carriage Services, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: May 7, 2026

/s/ Carlos R. Quezada

\_\_\_\_\_  
Carlos R. Quezada

Chief Executive Officer and Vice Chairman of the Board  
(Principal Executive Officer)

I, John Enwright, certify that:

1. I have reviewed this report on Form 10-Q of Carriage Services, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: May 7, 2026

/s/ John Enwright

John Enwright

Senior Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

**Certification of  
Chief Executive Officer and Principal Financial Officer  
under Section 906 of the  
Sarbanes Oxley Act of 2002, 18 U.S.C. § 1350**

In connection with the Quarterly Report on Form 10-Q of Carriage Services, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Carlos R. Quezada, Chief Executive Officer of the Company, and John Enwright, Senior Vice President, Chief Financial Officer and Treasurer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his or her knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2026

/s/ Carlos R. Quezada  
\_\_\_\_\_  
Carlos R. Quezada  
Chief Executive Officer and Vice Chairman of the Board  
(Principal Executive Officer)

/s/ John Enwright  
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John Enwright  
Senior Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)