

CARRIAGE SERVICES, INC.
(the “Company”)

**CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

Revised February 15, 2017

I. PURPOSE

The Corporate Governance Committee (the “Committee”) is appointed by the Company’s full Board of Directors (the “Board”) and shall have the authority, responsibility and specific duties as described in this Corporate Governance Charter (this “Charter”). The Committee shall promote the Company’s **Mission** to being the most professional, ethical, and highest quality funeral and cemetery service organization in the death care industry and shall consider the Company’s **High Performance Culture Framework** when making decisions and also the Company’s **Five Guiding Principles**:

- **Honesty, integrity, and quality in all that we do.**
- **Hard work, pride of accomplishment, and shared success through employee ownership.**
- **Belief in the power of people through individual initiative and teamwork.**
- **Outstanding service and profitability go hand-in-hand.**
- **Growth of the company is driven by decentralization and partnership.**

To achieve the **Mission of Being The Best**, the Committee shall:

- (1) assist the Board by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for the next annual meeting of stockholders;
- (2) develop and recommend to the Board a set of Corporate Governance Guidelines applicable to the Company;
- (3) lead the Board in its annual review of the performance of the Board and its committees and of the Company’s “Senior Management” (as such term is defined below); and
- (4) perform such other functions as the Board may assign to the Committee from time to time.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange. The members of the Committee shall be appointed and replaced by the affirmative vote of a majority of the Board. If a Chairman is not designated by the Board or present at a meeting, the Committee may designate a Chairman by majority vote of the Committee members then in office.

III. COMMITTEE AUTHORITY

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding sentence, the Committee shall have authority to do the following:

- (1) Retain and terminate any search firm or advisor to be used to identify director candidates and approve such search firm or advisor's fees and other retention terms. The Committee may also utilize the services of the Company's regular outside legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any advisors employed by the Committee; and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- (2) Form and delegate responsibilities to subcommittees as appropriate and to delegate responsibilities to its Chairman or any one of its members, including, without limitation, the responsibility to assess and report management performance to the Compensation Committee, so long as the Compensation Committee is composed entirely of independent directors. Each subcommittee shall keep minutes and regularly report to the Committee.

IV. COMMITTEE RESPONSIBILITIES

The Committee shall have the following responsibilities:

- (1) Director Nominations

The Committee shall assist in identifying, interviewing and recruiting candidates to serve on the Board. Prior to recommending to the Board that an existing or new director be nominated for election as a director at the annual meeting of the Company's stockholders, the Committee shall consider and review the director's qualifications as set forth in the Company's Corporate Governance Guidelines.

On an annual basis, the Committee shall consider recommendations for directors that are received from the Company's stockholders and shall consider any such recommendations equally with recommendations received from any other source; *provided, however*, that such recommendations must comply with the procedures outlined in the Company's proxy statement for its annual meeting of stockholders. The Committee shall then make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to stockholders, subject to approval by the Board.

At least annually, the Committee shall review the criteria for the nomination of director candidates and approve changes to the criteria, as appropriate, to ensure that the criteria for the nomination of director candidates aligns with the Company's **Being The Best Mission Statement** and **Five Guiding Principles**.

(2) Director Independence

Annually, the Committee shall review the relationships between the Company and each director and report the results of its review to the Board, which then will determine which directors satisfy the applicable independence standards.

Annually, the Committee shall determine whether or not each director serving on a Board committee is independent, a non-employee director, or an outside director under the standards applicable to the committees on which such director is serving or may serve and report the results of its review to the Board, which will then determine which directors qualify as an independent, non-employee, or outside director under applicable standards.

(3) Board and Committee Structure

The Committee shall annually evaluate the number of positions on the whole Board, the terms of service thereof, and the classification of directors, and make any recommendations to the full Board as it deems appropriate.

(4) Committee, Board and Management Performance Evaluations

The Committee shall receive comments from all directors and report annually to the Board with an assessment of the performance of the Board and of the Company's Senior Management, to be discussed with the full Board following the end of each fiscal year. For purposes of this Charter, "Senior Management" is understood to mean the Chief Executive Officer (the "CEO") and every other employee at the level of Senior Vice President or higher.

The Committee shall request that the Chairman of each committee report to the full Board about each committee's annual evaluation of its performance and evaluation of this Charter following the end of each fiscal year.

The Committee shall review and evaluate its own performance annually, keeping in mind the Company's **High Performance Culture Framework**, and shall submit itself to a review and evaluation by the Board.

The Committee will review each director's continuation on the Board every three years, in advance of the full Board Meeting at which nominations are considered for the class of positions which includes that director.

(5) Corporate Governance

The Committee shall prepare and recommend to the Board for adoption, and annually review and reassess the adequacy of and recommend any proposed changes to, appropriate corporate governance guidelines and consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board.

The Committee shall review management's monitoring of the Company's compliance programs and Code of Business Conduct and Ethics.

(6) Succession Planning

The Committee shall meet annually regarding succession planning, whereby the Committee shall identify, and periodically update, the qualities and characteristics necessary for an effective CEO and monitor and review the development and progression of potential candidates against these standards, including contingencies in the event of an emergency. The Committee shall also annually consult with the CEO on senior management succession planning.

(7) Other Powers and Responsibilities

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall develop and evaluate an orientation and continuing education program for directors and make appropriate recommendations for final Board action regarding this program.

V. PROCEDURES

The Committee may determine additional rules and procedures, including designation of a Chair pro tempore in the absence of its Chairman and designation of a secretary of the Committee at any meeting thereof. Subject to the foregoing sentence:

(1) Meetings

The Committee shall meet as frequently as circumstances dictate and, in any event, shall meet at the call of its Chairman, of two or more members of the Committee, or of the Chairman of the Board.

Meetings of the Committee may be in person, by conference call or by unanimous written consent, in accordance with the Company's By-Laws. Meetings of the Committee shall be held at such time and place, and upon such notice, as its Chairman may from time to time determine.

Meetings may, at the discretion of the Committee, include non-independent directors, members of the Company's management, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Committee.

Those in attendance may observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote.

The Committee shall keep such records of its meetings as it deems appropriate.

(2) Quorum and Approval

A majority of the Committee's members shall constitute a quorum.

The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

(3) Reports

The Committee shall maintain minutes of its meetings and make regular oral or written reports to the Board, directly or through its Chairman, of its actions and any recommendations to the Board.

(4) Fees; Reimbursement of Expenses

Each member of the Committee, as well as the Chairman, shall be paid the fee set by the Board for his or her services as a member, or Chairman, as the case may be, of the Committee. Subject to the Company's Corporate Governance Guidelines and other policies, Committee members, including the Chairman, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

VI. POSTING REQUIREMENT

The Company shall make this Charter available on or through the Company's website as required by applicable rules and regulations. In addition, the Company shall disclose in its proxy statement for its annual meeting of stockholders that a copy of this Charter is available on the Company's website and provide the website address.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.