

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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 21, 2017**

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**Carriage Services, Inc.**

*(Exact name of registrant as specified in its charter)*

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Delaware  
*(State or other jurisdiction  
of incorporation)*

1-11961  
*(Commission  
File Number)*

76-0423828  
*(IRS Employer  
Identification No.)*

3040 Post Oak Boulevard, Suite 300  
Houston, Texas 77056  
*(Address, including zip code, of principal executive offices)*

Registrant's telephone number, including area code:  
(713) 332-8400

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS**

(e) On March 21, 2017, Carriage Services, Inc. (the “Company”) entered into a Second Amendment to the Second Amended and Restated Employment Agreement, dated effective as of March 14, 2012 and amended by the First Amendment (dated effective as of March 3, 2014) with Melvin C. Payne, its Chairman of the Board of Directors and Chief Executive Officer.

The Second Amendment generally modifies the structure of the annual bonus award(s) that may be payable to Mr. Payne under the Agreement. More specifically, pursuant to the Second Amendment, Mr. Payne may be eligible to receive an annual performance-based incentive award that is intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code, as amended, as well as an annual discretionary bonus award, all as determined in the discretion of the Compensation Committee of the Company’s Board of Directors.

The foregoing is a summary of the Second Amendment only and is qualified in its entirety by reference to the full text of the Second Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

Exhibits. The following are furnished as part of this current report on Form 8-K:

(d)

10.1 Second Amendment to the Second Amended and Restated Employment Agreement by and between Carriage Services, Inc. and Melvin C. Payne, dated effective as of March 21, 2017.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, Carriage Services, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARRIAGE SERVICES, INC.

Dated: March 23, 2017

By: /s/ Viki K. Blinderman  
Viki K. Blinderman  
Senior Vice President, Principal Financial Officer, Chief Accounting Officer and Secretary

**SECOND AMENDMENT TO  
SECOND AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

**THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT** (this "*Second Amendment*") is executed and agreed to by and between Carriage Services, Inc., a Delaware corporation (the "*Company*"), and Melvin C. Payne "*Employee*", effective as of March 21, 2017 (the "*Amendment Effective Date*").

**WHEREAS**, the Company and Employee have heretofore entered into that certain Second Amended and Restated Employment Agreement, dated effective as of March 14, 2012 and amended by the First Amendment (dated effective as of March 3, 2014) (as amended, the "*Agreement*"); and

**WHEREAS**, the Company and Employee desire to amend the Agreement in certain respects.

**NOW, THEREFORE**, in consideration of the premises set forth above and the mutual agreements set forth herein, the Company and Employee hereby agree that the Agreement shall be amended as hereafter provided, effective as of the Amendment Effective Date:

1. Section 3.2 of the Agreement shall be deleted in its entirety and the following shall be substituted therefor:

**“3.2 Annual Bonuses.** For each complete calendar year that he is employed hereunder, Employee may be eligible to receive such annual cash bonuses (collectively, "*Annual Bonus*") as determined by the Compensation Committee or the Company, as applicable, in its sole discretion as follows:

(a) An annual performance bonus ("*Performance Bonus*") for a calendar year performance period that meets the performance-based exception requirements under Section 162(m) of the Internal Revenue Code, as amended (the "*Code*"), and applicable regulations thereunder may be granted to Employee by the Compensation Committee of the Company's Board of Directors in such amounts and subject to such performance measures as the Compensation Committee shall determine in compliance with Code Section 162(m) and the applicable regulations. Such Performance Bonus shall be administered by the Compensation Committee in accordance with Code Section 162(m) and the applicable regulations thereunder including, without limitation, the requirement that neither the Compensation Committee nor the Company shall have the right to increase the amount of any annual Performance Bonus once the objective formula for the bonus for the applicable performance period has been established by the Compensation Committee. Notwithstanding the foregoing, the Compensation Committee shall have the authority to decrease the amount of any Performance Bonus otherwise payable hereunder, as determined in the Compensation Committee's sole discretion.

(b) An annual discretionary bonus (“***Discretionary Bonus***”) may be granted to Employee by the Company subject to such terms and conditions as the Company shall determine in its sole discretion; provided, however, that any Discretionary Bonus granted hereunder shall be in addition to and not in lieu of any Performance Bonus or unearned portion of any Performance Bonus granted hereunder and, accordingly, may not offset, increase, or otherwise affect any Performance Bonus in any manner.

(c) Any Performance Bonus that may be payable hereunder shall be paid after the Compensation Committee has certified in writing that the relevant performance measures have been achieved for the applicable performance period in accordance with Code Section 162(m) and the regulations thereunder, but in no event later than March 15 of the calendar year following the end of the applicable performance period calendar year. Any Discretionary Bonus that may be payable hereunder shall be paid on or before March 15 of the calendar year following the end of the calendar year to which the Discretionary Bonus relates.

(d) Notwithstanding anything to the contrary in the Agreement including, without limitation, Section 5.5(a) of the Agreement, no portion of an Annual Bonus shall be paid or payable under any other provision of this Agreement if it would result in the noncompliance of any Performance Bonus granted hereunder with the performance-based exception under Code Section 162(m) and the applicable regulations thereunder; and, in this regard, any such provision shall be deemed inapplicable and void as to the Performance Bonus.”

2. Except as expressly modified by this Second Amendment, the terms of the Agreement shall remain in full force and effect and hereby are confirmed and ratified.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Second Amendment as of the date set forth above.

**COMPANY:**

Carriage Services, Inc.



By: Viki King Blinderman,  
Its Senior Vice President, Principal Financial  
Officer, Chief Accounting Officer, and  
Secretary

**EMPLOYEE:**

Melvin C. Payne

