

Email from Mel Payne, Carriage Services, Inc. CEO and Chairman of the Board

To the Company's Managing Partners, Sales Managers, Directors of Support, Houston Support Center and Executive Leadership

Dated April 8, 2020

In this time of national Coronavirus Pandemic Crisis, all of us who are privileged and honored to support you have been inspired by your courageous even heroic devotion to duty of serving the living and caring for their deceased. Your work is noble at any time but more so now than ever.

Carriage's Annual Report Wrap with my Shareholder Letter is attached and lists the names of all the Being The Best Pinnacle Award and Good to Great Award winners. After I completed my letter last Thursday, I shared it with our Executive Team and Board of Directors. By far the most profoundly relevant response I received was from Greg Brudnicki, Advisor to our Board of Directors and former owner of Kent-Forest Lawn Funeral Home and Cemeteries in Panama City, Florida. I have been partners with Greg since Kent-Forest Lawn joined Carriage in November 1997, and we have been foxhole buddies through many crises when you learn the true nature of what a great partnership is all about. Greg's message about my Shareholder Letter was actually intended for each of you and is included verbatim below:

"Powerful letter with a very positive message. All of our individual businesses need to understand that we are "Essential" for the recovery of our country and that every one of our employees at every level is "Essential" for the success of Carriage."

So what does Leadership in Times of Crisis look like and how do we find inspiring current role models to show us the way? We have two such Being The Best Crisis Leaders in our company in Panama City, Florida, which was almost wiped off the face of the earth on October 10, 2018 when Hurricane Michael became the first Category 5 hurricane to strike the contiguous United States since Andrew in 1992. It was the first Category 5 hurricane to strike the Florida Panhandle and third most intense to strike the United States mainland in the last 100 years, behind only the 1935 Labor Day hurricane and Hurricane Camille in 1969.

Greg Brudnicki was finishing his fourth term as Mayor when Hurricane Michael struck, which is a leadership role he sought after Robert Maclary became the Managing Partner of Kent-Forest Lawn over ten years ago and our business went on a high performance journey that led to Robert being one of twelve in the first class of five year Good To Great winners in 2016. So how did Greg Brudnicki and Robert Maclary and their teams of Panama City and Kent-Forest Lawn employees respond to the shock and tragedy of Hurricane Michael? Greg texted me prior to our scheduled Board Meeting in November 2018 and said:

"Sorry I will not be able to make our Board dinner and meeting, but Panama City needs me now more than ever to make sure our wonderful city remains a 'Going Concern'."

Greg later decided to run for a fifth term to provide the leadership needed to finish the job of recovery and sustainability of his beloved city. Robert Maclary miraculously rallied his employee troops and was back in business serving families almost overnight when his main competitors took weeks or months to get open and prepared to serve. I am honored to call Robert one of the Best of The Best as once again Kent-Forest Lawn was a Pinnacle Award Winner in 2019! AMAZING!!!

Amazing achievements are possible with amazing talent aligned with the Mission of Being The Best regardless of the circumstances. The Annual Shareholder Letter for 2020 will document the many numerous acts of courage even heroism in the way in which you and your teams have responded to your community and client families when they need you most during this terrible Coronavirus Pandemic Crisis.

I will leave you on a high note of optimism as I believe with all my heart that we are entering the beginning of the end phase of this terrible crisis and our country and its magnificent people will soon be on the way to a full and healthy recovery.

Mel