

SECURITY NATIONAL FINANCIAL CORPORATION
CORPORATE GOVERNANCE GUIDELINES

Ratified March 19, 2021

The Board of Directors (the “Board”) of Security National Financial Corporation (the “Company”) has adopted these Board Governance Guidelines (the “Guidelines”) in order to codify internal Board policies and procedures. As such, they reflect the Board’s current views with respect to certain matters of the Board’s composition and practice, and are subject to change from time to time. They do not establish legal duties of the Board or any committee.

A. Role of the Board of Directors

The business and affairs of the Company shall be managed by the executive officers of the Company under the direction of the Board of Directors, except as may otherwise be provided by law, the Company’s Articles of Incorporation or its Bylaws.

B. Board Membership and Responsibilities

1. Size of the Board

The Company’s Bylaws provide that the Board of Directors shall consist of not less than five nor more than twelve directors. The number of directors is currently eight directors. The Nominating and Corporate Governance Committee shall periodically review the appropriate size of the Board, with the goal that the size of the Board maintains needed expertise and independence without becoming too large to function efficiently.

2. Board Responsibilities

The Board is responsible to: (a) evaluate the Company’s President and Chief Executive Officer, determine executive compensation; actively review organizational development; (b) actively review and, where appropriate, endorse the financial objectives, major strategies, and plans of the Company; (c) review the Company’s financial performance; (d) provide advice and counsel to the President and Chief Executive Officer; (e) review the adequacy of systems, processes, and controls relating to compliance with applicable laws, regulations and standards of appropriate behavior; (f) elect a Board member to serve as lead director to preside at executive sessions of the independent directors; (g) evaluate Board processes and performance; (h) establish committees as appropriate; and (i) recommend to the stockholders for election an appropriate slate of candidates for the Board.

3. Director Qualifications

Qualified directors should generally meet the following qualifications and expectations:

a. A director should have the education, business experience, and current insight and acumen necessary to understand the Company’s business and be able to evaluate and oversee direction, performance, and guidance for the success of the Company;

b. A director should be cognizant that so long as the Company is solvent such director's responsibility is to represent the interests of the Company and all its stockholders while also giving consideration to the needs of the Company's employees, the communities in which the Company operates, and others that have a stake in the Company;

c. A director should have the interest and the time available to fulfill his or her responsibilities as a director over a period of years;

d. A director should commit to attending substantially all scheduled Board and committee meetings and the annual meeting of stockholders and should come to such meetings adequately prepared (including a thorough review of the materials distributed in advance of the meeting) and ready to participate fully;

e. A director should have the willingness and ability to objectively and constructively appraise the performance of executive management and, when necessary, recommend appropriate changes.

f. Except in unusual circumstances, and then only with the formal approval of the disinterested directors, a director should not be involved in any activity or interest that might appear to conflict with such director's fiduciary responsibility to the Company; and

g. A director should generally meet all other criteria established by the Board from time to time. These may include functional skills, leadership, diversity, or other attributes that will contribute to the development and expansion of the Board's knowledge and capabilities.

4. Independent Directors

A majority of the Board shall be composed of "independent" directors, as that term is defined from time to time by the listing standards of The Nasdaq Stock Market, Inc. As required by such listing standards, in assessing independence the Board shall make a determination on an annual basis whether each director qualifies as an independent director pursuant to applicable listing standards. Such standards include whether the director has any material relationship with the Company (directly or as a partner, stockholder or officer of an entity that has a relationship with the Company). In addition, a director would not be deemed independent if such director is a member of the immediate family of any person who would not qualify as independent, provided that employment of a family member in a non-officer position will not preclude the Board from determining that a director is nonetheless independent. An immediate family member shall include the director's spouse, parents, children, siblings, and in-laws.

5. Selection of Director Nominees

All candidates shall be evaluated and recommended for nomination by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for establishing the selection criteria for candidates from time to time and reviewing with the Board such criteria and the appropriate skills and characteristics required of directors in the context of the then current make-up of the Board. At a minimum, the Nominating

and Corporate Governance Committee must be satisfied that each director is an individual of the highest character and integrity, with the ability to work well with others; has the business and professional knowledge and experience of particular relevance to the Company, its business and the goals and perspectives of its stockholders; has a positive record of accomplishment in present and prior positions; has an excellent reputation for preparation, attendance, participation, interest, and initiative on other boards, if any, on which such director nominee may serve; and has sufficient time, energy, interest and willingness to devote to the affairs of the Company in order to carry out the responsibilities of a director.

6. Individual Director's Responsibilities.

All directors are expected to set aside sufficient time in their schedules to fulfill their duties to the Company and its stockholders. All directors are expected to attend the meetings of the Board and of committees of which they are members regularly, and in no event less than 75% of such meetings annually. They are expected to be prepared for each meeting by reviewing the advance materials and otherwise to participate actively in the Board's or relevant committee's deliberations.

All directors are expected to comply with the Company's policies, procedures, and practices and the Company's Code of Business Conduct and Ethics, including avoidance of conflicts of interest.

7. Term and Board Service Limits

The Board does not believe it should establish term limits as it believes there is a significant advantage of maintaining the experience and insight into the Company and its operations gained by directors over time.

From time to time, members of the Board are invited to serve on boards of other public companies. Participation should be very selective. The Board does not believe it should set a predetermined limit on the number of boards on which a director may serve. However, to enable the Nominating and Corporate Governance Committee to assess a potential conflict of interest, if any, or potential interlocking directorships, each director must notify the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve as a member on another board of directors.

8. Retirement Age for Directors

The Board does not have a mandatory retirement age for its directors.

9. Resignation or Retirement of Employee Directors

The Company's officers who also serve as directors must tender their resignation from the Board at the same time that they retire or resign from the Company. The Nominating and Corporate Governance Committee, in its discretion, shall determine whether any such resignation is accepted.

10. Material Changes in a Director's Status

Directors shall inform the Chairman of the Board and the Company's General Counsel of any significant change in their personal circumstances, including a change in principal occupation, changes in their professional roles and responsibilities, or status as a member of the Board of any other public company, including retirement. Any independent director shall also inform the Chairman of the Board and the Company's General Counsel of any change in circumstance that may cause his or her status as an independent director to change. The Nominating and Corporate Governance Committee shall be advised of any such change described above, and shall make a recommendation to the Board on the continued appropriateness of Board or committee membership of such director under these circumstances.

11. Outside Directorships and Conflicts of Interest

Directors should not serve on the board, or serve as an officer, of any company that may cause a significant conflict of interest with their service as a member of the Company's Board. Board members should generally avoid serving on the board, or serving as an officer, of a service provider, contractor, consultant or other party with whom the Company does a significant amount of business, particularly when such participation might create an impression of favoritism or conflict of interest. All directors shall inform the Chairman of the Board and the Company's General Counsel of any activity that may rise to the level of a significant conflict of interest, such as an affiliation with a material competitor or supplier of the Company. The Nominating and Corporate Governance Committee shall be advised of such activity, and shall make a recommendation to the Board on the continued appropriateness of Board or committee membership under these circumstances. Board members will take any such action as the Nominating and Corporate Governance Committee deems to be necessary or appropriate in order to effect the intent of this section.

12. Conflicts of Interest Questionnaires

On an annual basis, each Board member will complete a questionnaire that is designed to assist the Board in affirmatively determining independence and identify any significant conflicts of interest or potential conflicts of interest. On any annual basis, each executive officer of the Company will complete a questionnaire that is designed to identify any significant conflicts of interest or potential conflicts of interest.

13. Availability of Outside Advisors

The Board and each of its committees may retain outside advisors, including legal, accounting, investment banking, and any others as the Board or such committee deems necessary or appropriate, of its choosing at the Company's expense. Neither the Board nor any committee is required to obtain management's consent to retain outside advisors.

14. Equity Ownership

The Board recognizes that ownership of the Company's shares of Class A common stock by directors may strengthen their commitment to the long-term future of the Company and further align their interests with those of the Company's stockholders generally holding shares of Class A and Class C common stock. Directors are ordinarily expected over time to beneficially own shares of the Company's Class A common stock.

15. New Director Orientation

New directors shall receive an orientation through a combination of presentations and written materials to familiarize each new director with, among other things: (a) the Company's Board members and practices; (b) the independent auditor; (c) major operations; (d) key employees; (e) significant policies and procedures (including accounting policies and the Code of Business Conduct and Ethics); (f) the Company's strategic business plan, and (g) key Company performance criteria.

16. Director Education

The Company shall make continuing educational opportunities available for its directors in the areas of corporate governance, financial reporting, executive compensation, and other areas of interest or concern to the Board.

C. Board Leadership

The Chairman of the Board shall chair each Board meeting. In his or her absence, the Bylaws shall govern who will chair the Board meeting.

The Board may designate a lead director to chair executive sessions of the non-management directors. If the Board has made no such designation, the non-management directors shall designate a chair at the beginning of any such executive session.

D. Board and Committee Meetings

1. Schedule

The Board of Directors believes that regular meetings at appropriate intervals are desirable for the performance of its responsibilities. The Board regularly meets at least five times a year. The Chairman of the Board shall prepare a schedule of regular Board and committee meetings on an annual basis and timely notify the Board of any changes in the schedule.

Special meetings of the Board or a committee may be called at any time by the Chairman of the Board, the chairman of a committee or as otherwise provided in the Bylaws.

2. Agendas

The Chairman of the Board shall establish the agenda for each Board meeting and distribute the agenda in advance to the Board. Prior to each Board meeting, Board members may suggest items to be included on the agendas and raise at any Board meeting subjects that are not on the agenda for that meeting.

The committee chair shall establish and arrange for the distribution of an agenda to each committee member in advance of a committee meeting.

3. Advance Materials

To the extent practicable, the Corporate Secretary shall deliver to the Board or each committee member in advance of each meeting of the Board or any committee materials and information relating to the matters to be considered at the meeting.

4. Executive Sessions

Executive sessions of the non-management directors may be held after each regular meeting of the Board and at such other times as the non-management directors may choose. The non-management directors may request Company personnel, consultants, and other advisors to make presentations or participate in discussions at such meetings.

E. Committees

1. Standing Committees

The Company currently has four standing committees of the Board: Audit, Compensation, Executive, and Nominating and Corporate Governance Committees. The Board of Directors will establish additional committees from time to time to facilitate and assist in the execution of its responsibilities, although they do not displace the oversight responsibilities of the Board as a whole. These committees shall generally address issues that, because of their complexity, technical nature, time requirements, or corporate governance principles, cannot be adequately or appropriately addressed at meetings of the entire Board. Committees will report the results of their significant activities to the full Board and make recommendations to the full Board as appropriate. The Board may dissolve a committee at any time to the extent consistent with law, the Company's Bylaws, and listing standards on The Nasdaq Stock Market, Inc.

2. Responsibilities of Committees

Each committee shall promptly inform the Board of the actions taken or issues discussed at their meetings. This will generally take place at the next Board meeting following a committee meeting.

The Audit, Compensation, and Nominating and Corporate Governance Committees shall each have its own charter, which will set forth the purposes, goals, and responsibilities of the committee and the qualifications for committee membership, procedures, and for committee member appointment and removal, committee structure, and committee reporting to the Board.

3. Qualifications of Members

The members of the Audit, Compensation, and Nominating and Corporate Governance Committees shall consist of directors who are "independent," as defined from time to time in the rules of The Nasdaq Stock Market, Inc. Each committee charter shall set forth any additional membership requirements.

4. Committee Assignments

In considering committee assignments, the Board will consider, where appropriate, the rotation of committee memberships. The Board does not believe that such a rotation should be mandated as a policy, since there may be reasons to maintain an individual director's committee membership.

F. Board Access to Management

Every Board member shall have full access to the management (senior management, in particular) of the Company as such member deems necessary or appropriate to carry out his or her duties. It is assumed that Board members will use judgment to be sure that this contact is not unnecessarily distracting to the business operations of the Company and that such contact, where appropriate, be arranged through the Chief Executive Officer, so that the desired expertise and information is available.

G. Review of These Policies

The Nominating and Corporate Governance Committee shall review these policies at least once per year and recommend appropriate changes to the Board.