

# **SECURITY NATIONAL FINANCIAL CORPORATION**

## **Charter of the Compensation Committee**

**Ratified March 22, 2024**

### **Purpose**

The Board of Directors (the “Board”) of Security National Financial Corporation, a Utah corporation (the “Company”) has established a compensation committee (the “Committee”) of independent directors and has adopted this charter (this “Charter”) for the Committee. The purpose of the Committee is to, among other things, discharge the Board’s responsibilities relating to the compensation of the Company’s executives and to review and discuss with management the Compensation Discussion and Analysis (“CD&A”) to be included in the proxy statement and annual report on Form 10-K and to prepare the Committee’s Report regarding the Committee’s recommendation that the CD&A be included in such proxy statement and annual report, in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”).

### **Composition and Organization**

The Committee shall consist of at least three members of the Board of Directors. Each member of the Committee shall be “independent” as defined under the listing standards of The Nasdaq Stock Market, a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code. The members of the Committee shall be appointed by the Board. The Board shall designate a member of the Committee to serve as its chairman. The members of the Committee will serve at the discretion of the Board.

### **Duties and Responsibilities**

The operation of the Committee will be subject to the provisions of the Bylaws of the Company and the Utah Revised Business Corporation Act, each as in effect from time to time. The following are the duties and responsibilities of the Committee and may be modified by the Board from time to time:

1. Review and approve all compensation programs applicable to executive officers of the Company, including all forms of salary paid to executive officers of the Company and the grant of all forms of bonus and equity compensation provided to the executive officers of the Company.
2. In consultation with senior management, establish, review, and evaluate the long-term strategy of employee compensation and the types of equity and other compensation plans used by the Company.

3. Review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluate the performance of the CEO in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years, and any other factors the Committee deems appropriate. In connection with this evaluation, the Committee may request and receive input from other non-employee Board members either formally or informally.
4. Review and approve all compensation applicable to directors of the Company for service on the Board and its committees and recommend changes to the Board as appropriate.
5. Approve any new compensation plan or any material change to an existing compensation plan whether or not subject to stockholder approval, make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans subject to stockholder approval, oversee the activities of the individuals and committees responsible for overseeing the Company's compensation plans, and discharge any responsibilities imposed on the Committee by any of these plans.
6. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
7. Review and approve any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
8. Review and approve any employment or post-employment agreement (or any material amendment thereto) between the Company or its subsidiaries and the CEO or any other executive officer of the Company.
9. Review the results of any advisory stockholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes.
10. Undertake any other responsibilities expressly delegated to the Committee by the Board from time to time relating to compensation matters.
11. Review and reassess at least annually the adequacy of this Charter and recommend changes as appropriate to the Board for further recommendation to and approval by

the Board. In addition, the Committee shall participate in an annual evaluation to assess its performance.

## **Meetings**

The Compensation Committee shall meet in person or by means of conference telephone call or other communications equipment by which all persons participating in the meeting can hear each other throughout the meeting, at least two times per year at a time and place determined by the Committee chairman, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairman. The Committee may invite the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, or any other officer desired by the Committee or its chairman to attend any meeting or meetings of the Committee, except for portions of the meetings where such presence would be inappropriate, as determined by the Committee or its chairman. No such person may be present during any discussions, deliberations, or voting of the Committee regarding the compensation of any such person. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

## **Committee Reports**

The Committee shall produce the following reports and provide them to the Board:

1. After reviewing and discussing with management the CD&A, prepare the Committee Report regarding the Committee's recommendation that the CD&A be included in the Company's proxy statement and annual report on Form 10-K in accordance with applicable SEC rules and regulations.
2. An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter.
3. A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

## **Resources and Authority**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority, in its sole discretion, to select, retain or obtain the advice of a compensation consultant, legal counsel or other compensation adviser, or terminate any such adviser, as it deems appropriate, without seeking approval of the Board or management. The Committee may, at its discretion, also review the choice of any consultants or other experts recommended by management for the purpose of reviewing the Company's executive compensation.