

**SECURITY NATIONAL FINANCIAL CORPORATION**

**433 Ascension Way, 6th Floor  
Salt Lake City, Utah 84123**

**April 27, 2023**

Dear Stockholders:

On behalf of the Board of Directors (the “Board”), it is my pleasure to invite you to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Security National Financial Corporation (the “Company”) to be held on Friday, June 23, 2023, beginning at 10:00 a.m., Mountain Daylight Time, at 433 Ascension Way, 1<sup>st</sup> Floor, Salt Lake City, Utah 84123. The formal notice of the Annual Meeting and the Proxy Statement have been made a part of this invitation.

The matters to be addressed at the meeting will include (1) the election of ten directors; (2) the approval, on an advisory basis, of the compensation of the Company’s named executive officers; (3) an advisory vote on the frequency of votes on executive compensation; (4) the ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants for the fiscal year ending December 31, 2023; and (5) the transaction of such other business as may properly come before the Annual Meeting, or any adjournments or postponements thereof. Please refer to the Proxy Statement for detailed information on each of the proposals and the Annual Meeting. I will also report on the Company’s business activities and answer any stockholder questions.

The Company will be providing access to its proxy materials over the Internet under the United States Securities and Exchange Commission’s “notice and access” rules. Accordingly, on or about May 2, 2023, you will receive a Notice of Internet Availability of Proxy Materials, which will provide instructions on how to access the Company’s Proxy Statement and 2022 Annual Report online. This approach conserves natural resources and reduces the Company’s printing and distribution costs, while providing a timely and convenient method of accessing the materials and voting. The notice also contains instructions on how to receive a paper copy of the Company’s proxy materials, including the Proxy Statement, the 2022 Annual Report, and a proxy card.

The Company intends to hold its Annual Stockholders Meeting in person. The Company will also provide a non-interactive broadcast of the meeting via the Internet. Please monitor the Company’s Annual Meeting website at [www.securitynational.com/annualmeeting](http://www.securitynational.com/annualmeeting) for updated information. As always, the Company encourages you to vote your shares prior to the Annual Meeting.

Your vote is important. Regardless of whether you plan to attend the Annual Meeting, please promptly submit your proxy over the Internet by following the instructions found on your notice. As an alternative, you may follow the procedures outlined in your notice to request a paper proxy card to submit your vote by mail.

Thank you for your support of Security National Financial Corporation. We look forward to your attendance at the Annual Meeting.

Sincerely yours,



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Scott M. Quist  
Chairman of the Board, President, and Chief Executive  
Officer

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**SECURITY NATIONAL FINANCIAL CORPORATION**  
**433 Ascension Way, 6<sup>th</sup> Floor,**  
**Salt Lake City, Utah 84123**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 23, 2023**

Dear Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the “Annual Meeting”) of Security National Financial Corporation (the “Company”), a Utah corporation, will be held on Friday, June 23, 2023, at 433 Ascension Way, 1<sup>st</sup> Floor, Salt Lake City, Utah 84123, beginning at 10:00 a.m., Mountain Daylight Time, to consider and act upon the following:

1. To elect a Board of Directors consisting of ten directors (four directors to be elected exclusively by the Class A common stockholders voting separately as a class, and the remaining six directors to be elected by the Class A and Class C common stockholders voting together) to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified;
2. The approval, on an advisory basis, the compensation of the Company’s named executive officers;
3. An advisory vote on the frequency of votes on executive compensation;
4. To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants for the fiscal year ending December 31, 2023; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

The Board of Directors has fixed the close of business on April 21, 2023, as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements thereof. A list of such stockholders will be available for examination by a stockholder for any purpose relevant to the meeting during ordinary business hours at the offices of the Company at 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123 during the 20 days prior to the meeting.

By order of the Board of Directors,



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Jeffrey R. Stephens  
Senior General Counsel and Secretary

April 27, 2023  
Salt Lake City, Utah

Important Notice Regarding the Availability of Proxy Materials for the Security National Financial Corporation  
Annual Meeting to be held on June 23, 2023

The Proxy Statement and the Company’s 2022 Annual Report are available at  
[www.securitynational.com/shareholders](http://www.securitynational.com/shareholders)

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**Security National Financial Corporation  
Proxy Statement**

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**SECURITY NATIONAL FINANCIAL CORPORATION  
433 Ascension Way, 6th Floor  
Salt Lake City, Utah 84123**

**PROXY STATEMENT**

**For Annual Meeting of Stockholders To  
Be Held on Friday, June 23, 2023**

**GENERAL INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Security National Financial Corporation (the “Company”) for use at the Annual Meeting of Stockholders (the “Annual Meeting”) to be held on Friday, June 23, 2023, at 433 Ascension Way, 1st Floor, Salt Lake City, Utah 84123, beginning at 10:00 a.m., Mountain Daylight Time, or at any adjournments or postponements thereof. The shares covered by the enclosed proxy, if such is properly executed and received by the Board of Directors prior to the meeting, will be voted in favor of the proposals to be considered at the Annual Meeting, and in favor of the election of the nominees to the Board of Directors (with four nominees to be elected by the Class A common stockholders voting separately as a class, and six nominees to be elected by the Class A and Class C common stockholders voting together) as listed unless such proxy specifies otherwise, or the authority to vote in the election of directors is withheld.

A proxy may be revoked at any time before it is exercised by giving written notice to the Secretary of the Company at 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123, Attention: Jeffrey R. Stephens, by submitting in writing a proxy bearing a later date, by authorizing a proxy again on a later date on the Internet or by telephone, or by attending the Annual Meeting and voting in person. Stockholders may vote their shares in person if they attend the Annual Meeting, even if they have executed and returned a proxy. This Proxy Statement and accompanying proxy card are being mailed to stockholders on or about May 2, 2023.

If a stockholder wishes to assign a proxy to someone other than the directors’ proxy committee, all names appearing on the proxy card must be crossed out and the name(s) of another person or persons (not more than two) inserted. The signed card must be presented at the meeting by the person(s) representing the stockholder.

The cost of this solicitation will be borne by the Company. The Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may also be solicited by certain of the Company’s directors, officers, and regular employees, without additional compensation.

The matters to be brought before the Annual Meeting are (1) to elect directors to serve for the ensuing year; (2) to approve, on an advisory basis, the compensation of the Company’s named executive officers; (3) an advisory vote on the frequency of votes on executive compensation; (4) to ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants for the fiscal year ending December 31, 2023; and (5) to transact such other business as may properly come before the Annual Meeting.

## RECORD DATE AND VOTING INFORMATION

Only holders of record of common stock at the close of business on April 21, 2023, will be entitled to vote at the Annual Meeting. As of April 1, 2023, there were issued and outstanding (excluding treasury stock shares) 18,807,013 shares of Class A common stock, \$2.00 par value per share, and 2,888,923 shares of Class C common stock, \$2.00 par value per share, resulting in a total of 21,695,936 shares of Class A and Class C common stock issued and outstanding. A majority of the outstanding shares of Class A and Class C common stock (or 10,847,969 shares) will constitute a quorum for the transaction of business at the meeting. A list of the Company's stockholders will be available for review at the Company's executive offices during regular business hours for a period of 20 days before the Annual Meeting. In addition, as of December 31, 2022, there were issued and outstanding 18,758,031 shares of Class A common stock and 2,889,859 shares of Class C common stock.

Proxies received at any time before the Annual Meeting, and not revoked or superseded before being voted, will be voted at the Annual Meeting. If a proxy indicates a specification, it will be in accordance with the specification. If no specification is indicated, the proxy will be voted for approval of the election of the directors recommended by the Board of Directors; for approval, on an advisory basis, of the compensation of the Company's named executive officers; three years for the frequency of executive compensation votes during the next six years; for the appointment of Deloitte & Touche LLP as the Company's independent registered public accountants for the fiscal year ending December 31, 2023; and, in the discretion of the persons named in the proxy, to transact such other business that may properly come before the meeting, or any adjournments or postponements of the meeting. You may also vote in person by ballot at the Annual Meeting.

The Company's Articles of Incorporation provide that the Class A common stockholders and Class C common stockholders have different voting rights in the election of directors. The Class A common stockholders voting separately as a class will be entitled to vote for four of the ten directors to be elected (the nominees to be voted upon by the Class A common stockholders separately consist of Scott M. Quist, Ludmya (Mia) B. Love, H. Craig Moody and Adam G. Quist).

The remaining six directors will be elected by the Class A and Class C common stockholders voting together (the nominees to be so voted upon consist of Shital A. Mehta (a/k/a Alexandra Mysoor), S. Andrew Quist, John L. Cook, Jason G. Overbaugh, Gilbert A. Fuller and Robert G. Hunter, with the Class A common stockholders having one vote per share and the Class C common stockholders having ten votes per share. For the other business to be conducted at the Annual Meeting, the Class A and Class C common stockholders will vote together with the Class A common stockholders having one vote per share and the Class C common stockholders having ten votes per share. The Class A common stockholders will receive a different form of proxy than the Class C common stockholders.



## **INTERNET AVAILABILITY OF PROXY MATERIALS**

The Company will be providing access to its proxy materials over the Internet under the United States Securities and Exchange Commission's "notice and access" rules. Accordingly, on or about May 2, 2023, stockholders will receive a Notice of Internet Availability of Proxy Materials, which will provide instructions on how to access the Company's Proxy Statement and 2022 Annual Report online. This is designed to reduce the Company's printing and mailing costs and the environmental impact of its proxy materials. The notice also contains instructions on how to receive a paper copy of the Company's proxy materials, including the Proxy Statement, the 2022 Annual Report, and a proxy card.

Regardless of whether stockholders plan to participate in the Annual Meeting, stockholders should promptly submit their proxy over the Internet by following the instructions found on the notice. As an alternative, stockholders may follow the procedures outlined in the notice to request a paper proxy card in order to submit their vote by mail.

## VOTING SHARES AT THE ANNUAL MEETING

Holders of record of the Company's shares of Class A and Class C common stock as of the close of business on the record date, April 21, 2023, are entitled to receive notice of, and to vote at, the Annual Meeting. The outstanding shares of Class A and Class C common stock constitute the only classes of securities entitled to vote at the Annual Meeting and each share of Class A common stock entitles the holder to one vote and each share of Class C common stock entitles the holder to ten votes. There are three ways to authorize a proxy to vote the shares held by the holders of Class A common stock and Class C common stock:

1. Vote by Internet - Holders of shares of Class A and Class C common stock can use the Internet at [www.proxyvote.com](http://www.proxyvote.com) to transmit voting instructions and for electronic delivery of information up until 11:59 p.m., Eastern Time on June 22, 2023. Such stockholders should have their proxy card in hand when they access the Company's website and follow the instructions thereon to obtain their records and to create an electronic voting instruction form;
2. Vote by Telephone - Stockholders located in the United States can authorize their proxy by touch-tone telephone by calling 1-800-690-6903 to transmit their voting instructions up until 11:59 p.m., Eastern Time on June 22, 2023. Stockholders should have their proxy card in hand when they call and then follow the instructions; or
3. Vote by Mail - Stockholders receiving proxy materials by mail may authorize a proxy by mail by signing and dating the proxy, then returning it in the postage-paid envelop that has been provided, or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717.

If the holders of shares of Class A and Class C common stock are held in the name of a bank, broker or other holder of record, such stockholders will receive instructions from the holder of record. Stockholders must follow the instructions of the holder of record in order for shares to be voted. Internet and telephone proxy authorization also will be offered to stockholders owning shares through certain banks and brokers. If such shares are not registered in the stockholder's own name and the stockholder plans to vote such shares in person at the Annual Meeting, such stockholder should contact such stockholder's broker or agent to obtain a legal proxy or broker's proxy card and submit it by mail or bring it to the Annual Meeting in order to vote.

Shares will be voted as the stockholder of record instructs. The persons named as proxies on the proxy card will vote as recommended by the Company's Board of Directors on any matter for which a stockholder has not given instructions. The Board of Directors' recommendations appear at the end of each of the proposals.

### REVOKING A PROXY

Stockholders of record may revoke their proxy and change votes any time before their votes are cast by:

1. Giving written notice of revocation to the attention of Jeffrey R. Stephens, Senior General Counsel and Secretary, Security National Financial Corporation, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123 prior to the Annual Meeting.
2. Authorizing a proxy again on a later date on the Internet or by telephone (only the latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted);
3. Signing and forwarding to the Company a later-dated proxy; or
4. Attending the Annual Meeting and voting shares of the Company's Class A common stock or Class C common stock in person.

## PLAN FOR ANNUAL MEETING

The Company intends to hold its Annual Stockholders Meeting in person and to provide a non-interactive broadcast of the meeting via the Internet. Access to the meeting broadcast will be at [www.securitynational.com/annualmeeting](http://www.securitynational.com/annualmeeting). Whether or not you are planning on attending in person, please monitor the Company's website at [www.securitynational.com/annualmeeting](http://www.securitynational.com/annualmeeting) for updated information at least one week prior to the meeting date. As always, the Company encourages you to vote your shares prior to the Annual Meeting.

## PROPOSAL 1 - ELECTION OF DIRECTORS

### The Nominees

It is proposed that the Company's Board of Directors shall consist of ten directors. All directors are elected annually to serve until the next annual meeting of the stockholders, until their respective successors are duly elected and qualified, or until their earlier resignation or removal. The nominees for the upcoming election of directors include six independent directors, as defined in the applicable rules for companies whose stock is traded on The Nasdaq Stock Market, and four members of the Company's senior management. All ten of the nominees for director have served as directors since the Annual Meeting held on June 17, 2022.

The nominees to be elected by the holders of Class A common stock are as follows:

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Position(s) with the Company</u>
Scott M. Quist	69	1986	Chairman of the Board, President, and Chief Executive Officer
Ludmya B. Love	47	2021	Director
Adam G. Quist	37	2021	Vice President – Memorial Services, Assistant Secretary, General Counsel and Director
H. Craig Moody	71	1995	Director

The nominees for election by the holders of Class A and Class C common stock, voting together, are as follows:

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Position(s) with the Company</u>
Jason G. Overbaugh	48	2013	Vice President, National Marketing Director of Life Insurance and Director
John L. Cook	68	2013	Director
Robert G. Hunter, M.D.	63	1998	Director
Gilbert A. Fuller	82	2012	Director
Shital A. Mehta	42	2021	Director
S. Andrew Quist	42	2013	Vice President, General Counsel, and Director

The following is a description of the business experience of each of the nominees and directors.

*Scott M. Quist* has served as Chairman of the Board and Chief Executive Officer of the Company since 2012. Mr. Quist also serves as the Company's President, a position he has held since 2002. He has additionally served as a director of the Company since 1986. From 1993 to 2013, Mr. Quist served as Treasurer and a director of the National Alliance of Life Companies (NALC), a national trade association of over 200 life insurance companies, and as its President from 1990 to 2000. From 1986 to 1991, Mr. Quist was Treasurer and a director of The National Association of Life Companies, a trade association of 642 insurance companies until its merger with the American Council of Life Companies. Mr. Quist has been a member of the Board of Governors of the Forum 500 Section (representing small insurance companies) of the American Council of Life Insurance. He has also served as a regional director of Key Bank of Utah since 1993. Mr. Quist holds a B.S. degree in Accounting from Brigham Young University and received his law degree also from Brigham Young University. Mr. Quist's significant expertise and deep understanding of the technical, organizational and strategic business aspects of the insurance industry, his management expertise, his 21-year tenure as President of the Company and 36-year tenure as a director, and his years of business and leadership experience led the Board of Directors to conclude that Mr. Quist should continue to serve as Chairman of the Board, President, and Chief Executive Officer of the Company, and that his service in these capacities serves the best interests of the stockholders and encourages accountability and effective decision making.

*Ludmya (Mia) B. Love* has served as a director of the Company since 2021. Ms. Love served two terms (2015-2019) as the United States Representative for Utah's 4th Congressional District. While serving in Congress, Ms. Love was a member of the prestigious House Financial Services Committee. She also served on the Terrorism and Illicit Finance Subcommittee, the Monetary Policy and Trade Subcommittee, and the Financial Institutions and Consumer Credit Subcommittee. Prior to her service in Congress, Ms. Love served for ten years on the Saratoga Springs City Council and as Mayor of Saratoga Springs, Utah. Ms. Love received a Bachelor of Fine Arts degree from the University of Hartford. She was also awarded an Honorary Doctorate of Law degree from the University of Hartford. Ms. Love taught as a Fellow at the Georgetown University Institute of Politics, as part of the Fall 2020 cohort, and is currently a Senior Fellow for the United States Study Center for Politics in Sydney Australia. Ms. Love is also a regular political commentator on CNN cable news network. Ms. Love's experience and leadership in financial and governmental affairs led the Board of Directors to conclude that she should continue to serve as a director of the Company.

*Adam G. Quist* has served as Vice President – Memorial Services and Assistant Secretary of the Company since 2015 and as a director of the Company since 2021. From 2015 to 2017, he also served as the Company's Associate General Counsel. Since 2017, Mr. Quist has served as the Company's General Counsel. Mr. Quist has also served since 2015 as Vice President of Memorial Estates, Inc. ("Memorial Estates") and since 2016 as Chief Operating Officer of Memorial Estates. Additionally, Mr. Quist has served since 2015 as Vice President of Memorial Mortuary, Inc. ("Memorial Mortuary") and since 2016 as Chief Operating Officer of Memorial Mortuary. Both Memorial Estates and Memorial Mortuary are wholly owned subsidiaries of the Company. Mr. Quist has served on the ACLI's Life Insurance Committee since 2019. Additionally, he has been serving on the Board of Directors for Special Olympics Utah since January 2021. Mr. Quist holds a B.S. degree and a Master's degree in Accounting with an emphasis on taxation from Brigham Young University. He received his law degree from the University of Utah. Mr. Quist is a member of the Utah State Bar. Mr. Quist's expertise in administration, insurance, legal, and accounting matters led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*H. Craig Moody* has served as a director of the Company since 1995. Mr. Moody is owner of Moody & Associates, a political consulting and real estate company. He is a former Speaker and House Majority Leader of the House of Representatives of the State of Utah. From 1989 to 1992, Mr. Moody was Co-Chairman of the Utah Legislative Audit Committee. Mr. Moody received a B.S. degree in Political Science from the University of Utah. Mr. Moody's real estate and governmental affairs expertise and years of business and leadership experience led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*Jason G. Overbaugh* has served as a director of the Company since 2013. Mr. Overbaugh served as a Vice President and the Assistant Secretary of the Company from 2002 to 2013. Mr. Overbaugh has additionally served as Vice President and National Marketing Director of Security National Life Insurance Company since 2006. From 2003 to 2006, he served as a Vice President of Security National Life Insurance Company with responsibilities as an investment manager over construction lending and commercial real estate investments. From 2000 to 2003, Mr. Overbaugh served as a Vice President of Memorial Estates, Inc., with responsibilities over operations and sales. Mr. Overbaugh has served since 2007 as a director of the LOMA Life Insurance Council, a trade association of life insurance companies. He is also a member of the NFDA Trade Association. Mr. Overbaugh received a B.S. degree in Finance from the University of Utah. Mr. Overbaugh's expertise in insurance and marketing, and his 26 years of experience with the Company in its insurance, real estate, and mortuary and cemetery operations led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*John L. Cook* has served as a director of the Company since 2013. Mr. Cook has served since 1982 as co-owner and operator of Cook Brothers Painting, Inc., a company that provides painting services for contractors and builders of residential and commercial properties. Mr. Cook attended the University of Utah. As a director Mr. Cook advises the Board concerning the Company's investments in commercial and residential real estate projects. Moreover, Mr. Cook's extensive background in construction and building is important as the Company continues to acquire new real estate holdings and develop its current portfolio of undeveloped land. Mr. Cook's years of experience in the construction industry and with construction projects led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*Robert G. Hunter, M.D.* has served as a director of the Company since 1998. Dr. Hunter is currently a practicing physician in private practice. Dr. Hunter served as Department Head of Otolaryngology, Head, and Neck Surgery at Intermountain Medical Center for 10 years and is a past President of the medical staff of the Intermountain Medical Center. He has been a delegate to the Utah Medical Association and has served as a delegate representing the State of Utah to the American Medical Association. He is an adjunct clinical Professor of Surgery, University of Utah School of Medicine. Dr. Hunter holds a B.S. degree in Microbiology from the University of Utah and received his medical degree from the University of Utah School of Medicine and Residency training at the University of Texas, San Antonio. Dr. Hunter's medical expertise and experience, and his administrative and leadership experience from serving in a number of administrative positions in the medical profession led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*Gilbert A. Fuller* has served as a director of the Company since 2012. From 2006 until his retirement therefrom in 2008, Mr. Fuller served as Executive Vice President, Chief Financial Officer, and Secretary of USANA Health Sciences, Inc., a multinational manufacturer and direct seller of nutritional supplements. Mr. Fuller joined USANA in 1996 as the Vice President of Finance and served in that role until 1999 when he was appointed as its Senior Vice President. Mr. Fuller has served as a member of the Board of Directors of USANA since 2008. Mr. Fuller received a B.S. degree in Accounting and an M.B.A. degree from the University of Utah. Mr. Fuller's accounting, finance, and corporate strategy expertise and his years of financial, accounting and business experience with public and private companies, including USANA Health Sciences, Inc., which is listed on the New York Stock Exchange, where he served as an executive officer and continues to serve as a director, led the Board of Directors to conclude that he should continue to serve as a director of the Company.

*Shital A. Mehta (a/k/a Alexandra Mysoor)* has served as a director of the Company since 2021. Ms. Mehta is the founder and CEO of Alix, a fintech platform providing estate planning and succession services. Ms. Mehta is also the founder and Chairwoman of Mysoor Industries, an American conglomerate involved in manufacturing, media, technology, trading and investments. Ms. Mehta received a Bachelor of Arts degree from the University of California at Berkeley in Interdisciplinary Field Studies. Ms. Mehta's experience in administration, marketing, sales, and technology led the Board of Directors to conclude that she should continue to serve as a director of the Company.

*S. Andrew Quist* has served as a director of the Company since 2013. Mr. Andrew Quist has also served as a Vice President of the Company since 2010. In addition, from 2007 to 2017, he served as the Company's Associate General Counsel, and since 2017, has served as the Company's General Counsel, where his responsibilities have included the Company's regulatory matters and acquisitions. In addition, Mr. Quist has served as Executive Vice President and Chief Operating Officer since 2010, and as Vice President from 2008 to 2010 of C&J Financial, LLC, which funds the purchase of funeral and burial policies from funeral homes after the death of the insureds. Mr. Quist has also served since 2013 as a director of the National Alliance of Life Companies (NALC), a national trade association of over 200 life insurance companies. From 2014 to 2016, he served as President of the NALC. Mr. Quist previously served as President of the Utah Life Convention, a consortium of Utah domestic life insurers. Mr. Quist holds a B.S. degree in Accounting from Brigham Young University and received his law degree from the University of Southern California. Mr. Quist is a member of the State Bar of California. Mr. Quist's expertise in insurance, legal, and regulatory matters led the Board of Directors to conclude that he should continue to serve as a director of the Company.

**The Board of Directors recommends that stockholders vote "FOR" the election of each of the director nominees.**

#### **The Board of Directors, Board Committees, and Meetings**

The Company's Bylaws provide that the Board of Directors shall consist of not fewer than five nor more than twelve directors. The term of office of each director is for a period of one year, until their successors are duly elected and qualified or until their earlier resignation or removal. A director is not required to be a resident of the State of Utah or a stockholder of the Company. The Board of Directors held a total of five meetings during the fiscal year ended December 31, 2022. Each of the directors attended 75% or more of the meetings of the Board of Directors during 2022.

The size of the Board of Directors of the Company is proposed to be ten members. A majority of the Board of Directors must qualify as "independent" as that term is defined in Rule 4200 of the listing standards of The Nasdaq Stock Market. The Board of Directors has affirmatively determined that six of the ten nominees for the Board of Directors, namely John L. Cook, Gilbert A. Fuller, Robert G. Hunter, M.D., H. Craig Moody, Ludmya B. Love and Shital A. Mehta are independent under the listing standards of The Nasdaq Stock Market.

Unless authority is withheld by your proxy, it is intended that the Class A or Class C common stock represented by your proxy will be voted for the respective nominees listed above. If any nominee should not serve for any reason, the proxy will be voted for such person as shall be designated by the Board of Directors to replace such nominee. The Board of Directors has no reason to expect that any nominee would be unable to serve. There is no arrangement between any of the nominees and any other person or persons pursuant to which he or she was or is to be selected as a director. There is no family relationship between or among any of the nominees, except that Scott M. Quist is the father of S. Andrew Quist and Adam G. Quist and the uncle of Jason G. Overbaugh.

### *Board Leadership Structure*

Mr. Scott M. Quist, our CEO, is also the Chairman of the Board. Our Board has determined that having the same individual hold both positions is in the best interests of the Company and our stockholders, and consistent with good corporate governance for the following reasons:

- Our CEO is more familiar with our business and strategy than an independent, non-employee Chairman would be and is thus better positioned to focus our Board's agenda on the key issues facing our Company.
- A single Chairman and CEO provides strong and consistent leadership for the Company without risking overlap or conflict of roles.
- Oversight of our Company is the responsibility of our Board as a whole, and this responsibility can be properly discharged without an independent Chairman.

We do not have a lead independent director or a presiding director. However, the independent directors regularly meet in executive sessions of the Board. We believe that the structure of our Board provides an appropriate balance of management leadership and non-management oversight.

### *Board Committees*

There are four committees of the Board of Directors, which meet periodically during the year: the Audit Committee, the Compensation Committee, the Executive Committee, and the Nominating and Corporate Governance Committee.

The Audit Committee directs the auditing activities of the Company's internal auditors and outside public accounting firm and approves the services of the outside public accounting firm. The Audit Committee consists of John L. Cook, Gilbert A. Fuller (Chairman of the committee), H. Craig Moody, Ludmya B. Love and Shital A. Mehta. During 2022, the Audit Committee met on three occasions. The Board has determined that Gilbert A. Fuller is an audit committee financial expert as defined in Item 407(d) of Regulation S-K under the Exchange Act.

The Compensation Committee is responsible for recommending to the Board of Directors for approval the annual compensation of each executive officer of the Company and the executive officers of the Company's subsidiaries, developing policy in the areas of compensation and fringe benefits, contributions under the Employee Stock Ownership Plan, contributions under the 401(k) Retirement Savings Plans, Non-Qualified Deferred Compensation Plan, granting of options and other awards under the stock option and incentive plans, and creating other employee compensation plans. The Compensation Committee consists of John L. Cook, Gilbert A. Fuller, Robert G. Hunter, M.D., H. Craig Moody (Chairman of the Committee), Ludmya B. Love and Shital A. Mehta. The Compensation Committee is composed solely of independent directors, as defined in the listing standards of The Nasdaq Stock Market. During 2022, the Compensation Committee met on four occasions.

At our annual meeting of shareholders held on June 17, 2022, we submitted the compensation of our named executive officers to our shareholders in a non-binding vote. Our executive compensation program received the votes totaling 37,577,186 for our executive compensation program and 877,221 votes against, with 13,689 abstentions. The Compensation Committee will continue to review the future shareholder voting results and determine whether changes should be made to our executive compensation program based on such voting results.

The Executive Committee reviews Company policy, major investment activities and other pertinent transactions of the Company. The Executive Committee consists of Gilbert A. Fuller, H. Craig Moody, S. Andrew Quist, and Scott M. Quist (Chairman of the committee). During 2022, the Executive Committee met on one occasion.

The Nominating and Corporate Governance Committee identifies individuals qualified to become Board members consistent with the criteria approved by the Board, recommends to the Board the persons to be nominated by the Board for election as directors at a meeting of stockholders, and develops and recommends to the Board a set of corporate governance principles. The Nominating and Corporate Governance Committee consists of John L. Cook, Gilbert A. Fuller, Robert G. Hunter, M.D., H. Craig Moody (Chairman of the committee), Ludmya B. Love and Shital A. Mehta. The Nominating and Corporate Governance Committee is composed solely of independent directors, as defined in the listing standards of The Nasdaq Stock Market. During 2022, the Nominating and Corporate Governance Committee met on two occasions.

## Director Nominating Process

The process for identifying and evaluating nominees for directors include the following steps: (1) the members of the Nominating and Corporate Governance Committee, Chairman of the Board or other Board members identify a need to fill vacancies or add newly created directorships; (2) the Chairman of the Nominating and Corporate Governance Committee initiates a search and seeks input from Board members and senior management and, if necessary, obtains advice from legal or other advisors; (3) director candidates, including any candidates properly proposed by stockholders in accordance with the Company's Bylaws, are identified and presented to the Nominating and Corporate Governance Committee; (4) initial interviews with candidates are conducted by the Chairman of the Nominating and Corporate Governance Committee; (5) the Nominating and Corporate Governance Committee meets to consider and approve final candidate(s) and conduct further interviews as necessary; and (6) the Nominating and Corporate Governance Committee makes recommendations to the Board for inclusion in the slate of directors at the annual meeting. The evaluation process is the same whether a nominee is recommended by a stockholder or by a member of the Board of Directors.

## Meetings of Non-Management Directors

The Company's independent directors meet regularly in executive session without management. The Board of Directors has designated a lead director to preside at executive sessions of independent directors. Mr. H. Craig Moody is currently the lead director.

## Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board of Directors or a particular director may send a letter to Jeffrey R. Stephens, Senior General Counsel and Secretary, Security National Financial Corporation, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board or certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

## Executive Officers

The following table sets forth certain information with respect to the executive officers of the Company (the business biographies for Scott M. Quist, Jason G. Overbaugh, Adam G. Quist, and S. Andrew Quist are set forth above):

Name	Age	Title
Scott M. Quist	69	Chairman of the Board, President, Chief Executive Officer, and Director
Garrett S. Sill	52	Chief Financial Officer and Treasurer
S. Andrew Quist <sup>1</sup>	42	Vice President, General Counsel, and Director
Jason G. Overbaugh <sup>1</sup>	48	Vice President, National Marketing Director of Life Insurance, and Director
Jeffrey R. Stephens	69	Senior General Counsel and Secretary
Adam G. Quist <sup>1</sup>	37	Vice President – Memorial Services, Assistant Secretary, and General Counsel

<sup>1</sup> Scott M. Quist is the father of S. Andrew Quist and Adam G. Quist, and the uncle of Jason G. Overbaugh.

*Garrett S. Sill* has served as Chief Financial Officer and Treasurer of the Company since 2013. From 2011 to 2013, Mr. Sill served as Vice President and Assistant Treasurer of Security National Life Insurance Company, a wholly owned subsidiary of the Company. From 2002 to 2011, Mr. Sill was Chief Financial Officer and Treasurer of SecurityNational Mortgage Company, a wholly owned subsidiary of the Company. Mr. Sill is a certified public accountant, having been licensed since 2002. He holds a B.A. degree in Accounting from Weber State University and a Master's degree in Business Administration (M.B.A. degree) from the University of Utah. Mr. Sill also serves as chairman of the Advisory Council of the School of Accounting and Taxation at Weber State University.

*Jeffrey R. Stephens* has served as Senior General Counsel of the Company since 2017, as General Counsel from 2006 to 2017, and as Secretary of the Company since 2008. Mr. Stephens was in private practice from 1981 to 2006 in the States of Washington and Utah. Mr. Stephens holds a B.A. degree in Geography from the University of Utah and received his law degree from Brigham Young University. Mr. Stephens is a member of the Utah State Bar Association and the Washington State Bar Association.



The Board of Directors of the Company has a written procedure that requires disclosure to the Board of any material interest or any affiliation on the part of any of its officers, directors or employees that is in conflict or may be in conflict with the Company’s interests.

All executive officers and directors of the Company hold office until the next Annual Meeting of Stockholders, until their successors are duly elected and qualified or until their earlier resignation or removal.

**Corporate Governance**

**Corporate Governance Guidelines.** The Board of Directors has adopted the Security National Financial Corporation Corporate Governance Guidelines. These guidelines outline the functions of the Board, director qualifications and responsibilities, and various processes and procedures designed to ensure effective and responsive governance. The Board of Directors has also adopted written charters for its Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. The guidelines and committee charters are reviewed from time to time in response to regulatory requirements and best practices and are revised accordingly. The full text of the guidelines and the committee charters is published on the Company’s website at [www.securitynational.com/governance](http://www.securitynational.com/governance). A copy of the committee charters and guidelines may also be obtained at no charge by written request to the attention of Jeffrey R. Stephens, Senior General Counsel and Secretary, Security National Financial Corporation, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123.

**Code of Business Conduct and Ethics.** All of the Company’s officers, employees, and directors are required to comply with the Company’s Code of Business Conduct and Ethics to help ensure that the Company’s business is conducted in accordance with appropriate standards of ethical behavior. The Company’s Code of Business Conduct and Ethics covers all areas of professional conduct, including customer relationships, conflicts of interest, insider trading, financial disclosures, intellectual property and confidential information, as well as requiring adherence to all laws and regulations applicable to the Company’s business. Employees are required to report any violations or suspected violations of the Code. The Code includes an anti-retaliation statement. The full text of the Code of Business Conduct and Ethics is published on the Company’s website at [www.securitynational.com/governance](http://www.securitynational.com/governance). A copy of the Code of Business Conduct and Ethics may also be obtained at no charge by written request to the attention of Jeffrey R. Stephens, Senior General Counsel and Secretary, Security National Financial Corporation, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123.

**Board Diversity.** The Company is committed to diversity and inclusion, and believes it is important that the Board is composed of individuals representing the diversity of our communities. The table below reports self-identified gender and demographic statistics for the Board, as constituted prior to the Annual Meeting, in the format required by the Nasdaq Marketplace Rules.

**Board Diversity Matrix (as of March 31, 2023)**

<b>Total Number of Directors 10</b>		
<b>Part I: Gender Identity</b>	<b>Female</b>	<b>Male</b>
	2	8
<b>Part II: Demographic Background</b>		
African American or Black.....	1	
Alaskan Native or Native American		
Asian.....	1	
Hispanic or Latinx		
Native Hawaiian or Pacific Islander		
White .....		8
Two or More Races or Ethnicities		
LGBTQ+		
Did Not Disclose Demographic Background		
Directors who are military veterans:		
Directors with disabilities:		

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### SUMMARY COMPENSATION TABLE

The table below sets forth fiscal years 2022 and 2021 compensation information for (i) the Company’s Chief Executive Officer, (ii) the Company’s Chief Financial Officer, and (iii) the Company’s three other executive officers, who, based on their total compensation, were the most highly compensated executive officers in 2022. The Company refers to them in this Proxy Statement collectively as the “Named Executive Officers.”

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary(\$)</u>	<u>Bonus(\$)</u>	<u>Stock Option Awards(\$)</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>Change in Pension Value and Non-qualified Deferred Compensation on Change in Value and Earnings\$(1)</u>	<u>All other Compensation (\$)(2)</u>	<u>Total (\$)</u>
Scott M. Quist..... Chairman, President and Chief Executive Officer	2022	\$651,533	\$382,500	\$ 92,787	-	-	\$ 48,318	\$1,175,138
	2021	\$588,950	\$429,300	\$ 149,410	-	-	\$ 47,603	\$1,215,263
Garrett S. Sill..... Chief Financial Officer and Treasurer	2022	\$307,746	\$330,500	\$ 52,233	-	-	\$ 40,955	\$ 731,434
	2021	\$259,167	\$338,000	\$ 89,346	-	-	\$ 39,110	\$ 725,623
S. Andrew Quist..... Vice President and General Counsel	2022	\$361,500	\$304,325	\$ 119,337	-	-	\$ 44,517	\$ 829,679
	2021	\$285,667	\$339,325	\$ 179,455	-	-	\$ 35,066	\$ 839,513
Adam G. Quist..... Vice President – Memorial Services, Assistant Secretary, General Counsel	2022	\$284,292	\$300,255	\$ 119,337	-	-	\$ 44,410	\$ 748,264
	2021	\$218,875	\$335,975	\$ 179,455	-	-	\$ 39,022	\$ 773,327
Jason G. Overbaugh..... Vice President, National Marketing Director of Life Insurance	2022	\$308,750	\$280,500	\$ 52,233	-	-	\$ 36,737	\$ 678,220
	2021	\$312,532	\$339,000	\$ 90,208	-	-	\$ 31,222	\$ 772,962

- (1) The amounts indicated under “Change in Pension Value and Non-Qualified Deferred Compensation Earnings” consist of amounts that the Company contributed into a trust for the benefit of the Named Executive Officers under the Company’s Non-Qualified Deferred Compensation Plan.
- (2) The amounts indicated under “All Other Compensation” consist of the following amounts that the Company paid for the benefit of the Named Executive Officers:
- (a) payments related to the operation of automobiles for Scott M. Quist (\$7,200 for each of the years 2022 and 2021), Garrett S. Sill (\$4,200 for each of the years 2022 and 2021), S. Andrew Quist and Adam G. Quist (\$7,800 for each of the years 2022 and 2021), and Jason G. Overbaugh (nil for each of the years 2022 and 2021). However, such payments do not include the furnishing of an automobile by the Company to Scott M. Quist, nor the payment of insurance and property taxes with respect to the automobile operated by such executive officer;
  - (b) group life insurance premiums that the Company paid to a group life insurance plan for Scott M. Quist (\$229 for 2022 and \$114 for 2021), Garrett S. Sill (\$138 for 2022 and \$114 for 2021), S. Andrew Quist (\$60 for 2022 and \$114 for 2021), Adam G. Quist (\$54 for each of the years 2022 and 2021), and Jason G. Overbaugh (\$90 for each of the years 2022 and 2021);
  - (c) life insurance premiums that the Company paid for the benefit of Scott M. Quist (\$12,390 for each of the years 2022 and 2021), and Garrett S. Sill, S. Andrew Quist, Adam G. Quist and Jason G. Overbaugh (nil for each of the years 2022 and 2021);

- (d) medical insurance premiums that the Company paid to a medical insurance plan for Scott M. Quist (\$15,849 for each of the years 2022 and 2021), Garrett S. Sill (\$24,027 for 2022 and \$22,806 for 2021), S. Andrew Quist (\$24,027 for 2022 and \$22,806 for 2021), Adam G. Quist (\$24,027 for 2022 and \$19,417 for 2021), and Jason G. Overbaugh (\$24,027 for 2022 and \$22,806 for 2021);
- (e) long term disability insurance premiums that the Company paid to a provider of such insurance for Scott M. Quist (\$450 for each of the years for 2022 and 2021), Garrett S. Sill (\$390 for each of the years 2022 and 2021), S. Andrew Quist (\$430 for each of the years 2022 and 2021), Adam G. Quist (\$329 for 2022 and \$151 for 2021), and Jason G. Overbaugh (\$420 for 2022 and \$193 for 2021);
- (f) contributions that the Company made to defined contribution plans for Scott M. Quist (\$12,200 for 2022 and \$11,600 for 2021), Garrett S. Sill (\$12,200 for 2022 and \$11,600 for 2021), S. Andrew Quist (\$12,200 for 2022 and \$11,497 for 2021), Adam G. Quist (\$12,200 for 2022 and \$11,600 for 2021), Jason G. Overbaugh (\$12,200 for 2022 and \$11,600 for 2021); and
- (g) gym membership incentives for Scott M. Quist, Garrett S. Sill, Adam G. Quist, and Jason G. Overbaugh (nil for each of the years 2022 and 2021); S. Andrew Quist (nil for 2022 and \$219 for 2021).

#### SUPPLEMENTAL ALL OTHER COMPENSATION TABLE

The table below sets forth all other compensation provided to the Named Executive Officers for fiscal years 2022 and 2021.

Name of Executive Officer	Year	Perks and Other Personal Benefits	Tax Reimbursements	Discounted Securities Purchases	Payments/Accruals on Termination Plans	Registrant Contributions to Defined Contribution Plans	Insurance Premiums	Dividend or Earnings on Stock or Option Awards	
								Other	
Scott M.									
Quist .....	2022	\$7,200	-	-	-	\$ 12,200	\$28,918	-	-
	2021	\$7,200	-	-	-	\$ 11,600	\$32,178	-	-
Garrett S.									
Sill.....	2022	\$4,200	-	-	-	\$ 12,200	\$24,555	-	-
	2021	\$4,200	-	-	-	\$ 11,600	\$23,310	-	-
S. Andrew									
Quist .....	2022	\$7,800	-	-	-	\$ 12,200	\$24,517	-	-
	2021	\$8,019	-	-	-	\$ 11,497	\$23,350	-	-
Adam G.									
Quist .....	2022	\$7,800	-	-	-	\$ 12,200	\$24,410	-	-
	2021	\$7,800	-	-	-	\$ 11,600	\$19,622	-	-
Jason G.									
Overbaugh .	2022	-	-	-	-	\$ 12,200	\$24,537	-	-
	2021	-	-	-	-	\$ 11,600	\$19,622	-	-

## GRANTS OF PLAN-BASED AWARDS

The table below sets forth certain information regarding options granted to the Named Executive Officers during the fiscal year ended December 31, 2022.

Name of Executive Officer	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Awards: Number of Securities Underlying	Exercise or Base Price of Option Awards	Closing Price on Grant Date	Grant Date	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$)	Target (\$)	Maximum (\$)	Options (#)	(\$/Sh)	(\$/Sh)	(\$)	
Scott M. Quist.....	12/2/2022	–	–	–	65,000	\$ 6.80	\$ 6.48	\$ 92,787	
Garrett S. Sill .....	12/2/2022	–	–	–	35,000	\$ 6.48	\$ 6.48	\$ 52,233	
S. Andrew Quist.....	12/2/2022	–	–	–	80,000	\$ 6.48	\$ 6.48	\$119,337	
Adam G. Quist.....	12/2/2022	–	–	–	80,000	\$ 6.48	\$ 6.48	\$119,337	
Jason G. Overbaugh.....	12/2/2022	–	–	–	35,000	\$ 6.48	\$ 6.48	\$ 52,233	

## OUTSTANDING EQUITY AWARDS

The table below sets forth information concerning outstanding equity awards held by Named Executive Officers at December 31, 2022.

Name of Executive Officer	Option Awards				Stock Awards					
	Option Grant Date	Number of Securities Underlying Unexercised Options Exercisable (1) (#)	Number of Securities Underlying Unexercised Options (1) (#)	Option Exercise Price (2) (\$)	Option Expiration Date	Stock Award Date	Stock Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Plan Awards: Market Value of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Scott M. Quist .....	11/30/2018	87,212	—	\$ 4.82	11/30/2023	—	—	—	—	—
	12/06/2019	59,329(5)	—	4.79	12/06/2024	—	—	—	—	—
	03/27/2020	56,504(6)	—	3.48	03/27/2025	—	—	—	—	—
	12/03/2021	52,500(7)	—	9.01	12/03/2026	—	—	—	—	—
	12/02/2022	—	65,000(8)(9)	6.80	12/02/2027	—	—	—	—	—
Garrett S. Sill.....	12/06/2013	6,362	—	\$ 2.98	12/06/2023	—	—	—	—	—
	07/02/2014	6,059	—	2.78	07/02/2024	—	—	—	—	—
	12/05/2014	12,115	—	3.26	12/05/2024	—	—	—	—	—
	12/01/2017	19,623(3)	—	3.81	12/01/2027	—	—	—	—	—
	11/30/2018	24,918(4)	—	4.39	11/30/2028	—	—	—	—	—
	12/06/2019	29,664(5)	—	4.57	12/06/2029	—	—	—	—	—
	03/27/2020	28,251(6)	—	3.32	03/27/2030	—	—	—	—	—
	12/03/2021	28,251(7)	—	8.19	12/03/2031	—	—	—	—	—
12/02/2022	—	35,000(8)(9)	6.48	12/02/2032	—	—	—	—	—	
S. Andrew Quist .....	12/06/2013	15,901	—	\$ 2.98	12/06/2023	—	—	—	—	—
	07/02/2014	15,144	—	2.78	07/02/2024	—	—	—	—	—
	12/05/2014	30,289	—	3.26	12/05/2024	—	—	—	—	—
	12/04/2015	28,847	—	4.58	12/04/2025	—	—	—	—	—
	12/02/2016	27,473	—	5.04	12/02/2026	—	—	—	—	—
	12/01/2017	26,165(3)	—	3.81	12/01/2027	—	—	—	—	—
	11/30/2018	31,148(4)	—	4.39	11/30/2028	—	—	—	—	—
	12/06/2019	47,463(5)	—	4.57	12/06/2029	—	—	—	—	—
	03/27/2020	45,203(6)	—	3.32	03/27/2030	—	—	—	—	—
	12/03/2021	63,000(7)	—	8.19	12/03/2031	—	—	—	—	—
	12/02/2022	—	80,000(8)(9)	6.48	12/02/2032	—	—	—	—	—
Adam G. Quist.....	12/04/2015	4,327	—	\$ 4.58	12/04/2025	—	—	—	—	—
	12/02/2016	13,736	—	5.04	12/02/2026	—	—	—	—	—
	12/01/2017	19,623(3)	—	3.81	12/01/2027	—	—	—	—	—
	11/30/2018	24,918(4)	—	4.39	11/30/2028	—	—	—	—	—
	12/06/2019	41,530(5)	—	4.57	12/06/2029	—	—	—	—	—
	03/27/2020	39,552(6)	—	3.32	03/27/2030	—	—	—	—	—
	12/03/2021	63,000(7)	—	8.19	12/03/2031	—	—	—	—	—
	12/02/2022	—	80,000(8)(9)	6.48	12/02/2032	—	—	—	—	—
Jason G. Overbaugh .....	12/04/2015	28,847	—	\$ 4.58	12/04/2025	—	—	—	—	—
	12/02/2016	27,473	—	5.04	12/02/2026	—	—	—	—	—
	12/01/2017	26,165(3)	—	3.81	12/01/2027	—	—	—	—	—
	11/30/2018	31,148(4)	—	4.39	11/30/2028	—	—	—	—	—
	12/06/2019	35,597(5)	—	4.57	12/06/2029	—	—	—	—	—
	03/27/2020	33,902(6)	—	3.32	03/27/2030	—	—	—	—	—
	12/03/2021	31,500(7)	—	8.19	12/03/2031	—	—	—	—	—
	12/02/2022	—	35,000(8)(9)	6.48	12/02/2032	—	—	—	—	—

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- (1) Except for options granted to Scott M. Quist that have five-year terms, such grants have ten-year terms. The vesting of any unvested shares is subject to the recipient's continuous employment. This reflects the equivalent of Class A common shares.
  - (2) Exercise prices have been adjusted for the effect of annual stock dividends.
  - (3) On December 1, 2017, Garrett S. Sill was granted stock options to purchase 15,000 shares of Class A common stock at an exercise price of \$3.81 per share or 15,000 shares of Class C common stock at an exercise price of \$3.81 per share, or any combination thereof. Also, on December 1, 2017, S. Andrew Quist was granted stock options to purchase 20,000 shares of Class A common stock at an exercise price of \$3.81 per share or 20,000 shares of Class C common stock at an exercise price of \$3.81 per share, or any combination thereof. Also, on December 1, 2017, Adam G. Quist was granted stock options to purchase 15,000 shares of Class A common stock at an exercise price of \$3.81 per share or 15,000 shares of Class C common stock at an exercise price of \$3.81 per share, or any combination thereof. Also, on December 1, 2017, Jason G. Overbaugh was granted stock options to purchase 20,000 shares of Class A common stock at an exercise price of \$3.81 per share or 20,000 shares of Class C common stock at an exercise price of \$3.81 per share, or any combination thereof.
  - (4) On November 30, 2018, Garrett S. Sill was granted stock options to purchase 20,000 shares of Class A common stock at an exercise price of \$4.39 per share or 20,000 shares of Class C common stock at an exercise price of \$4.39 per share, or any combination thereof. Also, on November 30, 2018, S. Andrew Quist was granted stock options to purchase 25,000 shares of Class A common stock at an exercise price of \$4.39 per share or 25,000 shares of Class C common stock at an exercise price of \$4.39 per share, or any combination thereof. Also, on November 30, 2018, Adam G. Quist was granted stock options to purchase 20,000 shares of Class A common stock at an exercise price of \$4.39 per share or 20,000 shares of Class C common stock at an exercise price of \$4.39 per share, or any combination thereof. Also, on November 30, 2018, Jason G. Overbaugh was granted stock options to purchase 25,000 shares of Class A common stock at an exercise price of \$4.39 per share or 25,000 shares of Class C common stock at an exercise price of \$4.39 per share, or any combination thereof.
  - (5) On December 6, 2019, Scott M. Quist was granted stock options to purchase 50,000 shares of Class A common stock at an exercise price of \$4.79 per share or 50,000 shares of Class C common stock at an exercise price of \$4.79 per share, or any combination thereof. Also, on December 6, 2019, Garrett S. Sill was granted stock options to purchase 25,000 shares of Class A common stock at an exercise price of \$4.57 per share or 25,000 shares of Class C common stock at an exercise price of \$4.57 per share, or any combination thereof. Also, on December 6, 2019, S. Andrew Quist was granted stock options to purchase 40,000 shares of Class A common stock at an exercise price of \$4.57 per share or 40,000 shares of Class C common stock at an exercise price of \$4.57 per share, or any combination thereof. Also, on December 6, 2019, Adam G. Quist was granted stock options to purchase 35,000 shares of Class A common stock at an exercise price of \$4.57 per share or 35,000 shares of Class C common stock at an exercise price of \$4.57 per share, or any combination thereof.
  - (6) On March 27, 2020, Scott M. Quist was granted stock options to purchase 50,000 shares of Class A common stock at an exercise price of \$3.48 per share or 50,000 shares of Class C common stock at an exercise price of \$3.48 per share, or any combination thereof. Also, on March 27, 2020, Garrett S. Sill was granted stock options to purchase 25,000 shares of Class A common stock at an exercise price of \$3.32 per share or 25,000 shares of Class C common stock at an exercise price of \$3.32 per share, or any combination thereof. Also, on March 27, 2020, S. Andrew Quist was granted stock options to purchase 40,000 shares of Class A common stock at an exercise price of \$3.32 per share or 40,000 shares of Class C common stock at an exercise price of \$3.32 per share, or any combination thereof. Also, on March 27, 2020, Adam G. Quist was granted stock options to purchase 35,000 shares of Class A common stock at an exercise price of \$3.32 per share or 35,000 shares of Class C common stock at an exercise price of \$3.32 per share, or any combination thereof. Also, on March 27, 2020, Jason G. Overbaugh was granted stock options to purchase 30,000 shares of Class A common stock at an exercise price of \$3.32 per share or 30,000 shares of Class C common stock at an exercise price of \$3.32 per share, or any combination thereof.
  - (7) On December 3, 2021, Scott M. Quist was granted stock options to purchase 50,000 shares of Class A common stock at an exercise price of \$9.01 per share or 50,000 shares of Class C common stock at an exercise price of \$9.01 per share, or any combination thereof. Also, on December 3, 2021, Garrett S. Sill was granted stock options to purchase 30,000 shares of Class A common stock at an exercise price of \$8.19 per share or 30,000 shares of Class C common stock at an exercise price of \$8.19 per share, or any combination thereof. Also, on December 3, 2021, S. Andrew Quist was granted stock options to purchase 60,000 shares of Class A common stock at an exercise price of \$8.19 per share or 60,000 shares of Class C common stock at an exercise price of \$8.19 per share, or any combination thereof. Also, on December 3, 2021, Adam G. Quist was granted stock options to purchase 60,000 shares of Class A common stock at an exercise price of \$8.19 per share or 60,000 shares of Class C common stock at an exercise price of \$8.19 per share, or any combination thereof. Also, on December 3, 2021, Jason G. Overbaugh was granted stock options to purchase 30,000 shares of Class A common stock at an exercise price of \$8.19 per share or 30,000 shares of Class C common stock at an exercise price of \$8.19 per share, or any combination thereof.

- (8) On December 2, 2022, Scott M. Quist was granted stock options to purchase 65,000 shares of Class A common stock at an exercise price of \$6.80 per share or 65,000 shares of Class C common stock at an exercise price of \$6.80 per share, or any combination thereof. Also, on December 2, 2022, Garrett S. Sill was granted stock options to purchase 35,000 shares of Class A common stock at an exercise price of \$6.48 per share or 35,000 shares of Class C common stock at an exercise price of \$6.48 per share, or any combination thereof. Also, on December 2, 2022, S. Andrew Quist was granted stock options to purchase 80,000 shares of Class A common stock at an exercise price of \$6.48 per share or 80,000 shares of Class C common stock at an exercise price of \$6.48 per share, or any combination thereof. Also, on December 2, 2022, Adam G. Quist was granted stock options to purchase 80,000 shares of Class A common stock at an exercise price of \$6.48 per share or 80,000 shares of Class C common stock at an exercise price of \$6.48 per share, or any combination thereof. Also, on December 2, 2022, Jason G. Overbaugh was granted stock options to purchase 35,000 shares of Class A common stock at an exercise price of \$6.48 per share or 35,000 shares of Class C common stock at an exercise price of \$6.48 per share, or any combination thereof.
- (9) Stock options vest at the rate of 25% of the total number of shares per quarter over a one-year period after the grant date.

#### OPTION AWARDS VESTING SCHEDULE

The table below sets forth the vesting schedule of unexercisable options reported in the “Number of Securities Underlying Unexercised Options — Unexercisable” column of the table above.

Grant Date	Vesting
12/06/2013	These options vested 25% per quarter over a one year period after the grant date.
07/02/2014	These options vested 25% per quarter over a one year period after the grant date.
12/05/2014	These options vested 25% per quarter over a one year period after the grant date.
12/04/2015	These options vested 25% per quarter over a one year period after the grant date.
12/02/2016	These options vested 25% per quarter over a one year period after the grant date.
12/01/2017	These options vested 25% per quarter over a one year period after the grant date.
11/30/2018	These options vested 25% per quarter over a one year period after the grant date.
12/06/2019	These options vested 25% per quarter over a one year period after the grant date.
03/27/2020	These options vested 25% per quarter over a one year period after the grant date.
12/03/2021	These options vested 25% per quarter over a one year period after the grant date.
12/02/2022	These options vest 25% per quarter over a one year period after the grant date.

## OPTION EXERCISES AND STOCK VESTED

The table below sets forth all stock options exercised and value received upon exercise, and all stock awards vested and value realized upon vesting, by the Named Executive Officers during the year ended December 31, 2022.

<u>Name of Executive Officer</u>	<u>Option Awards</u>		<u>Stock Awards</u>	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)	(#)	(\$)
Scott M. Quist .....	34,620	\$ 79,280	—	—
Garrett S. Sill .....	—	—	—	—
S. Andrew Quist.....	23,852	\$ 212,998	—	—
Adam G. Quist .....	—	—	—	—
Jason G. Overbaugh .....	—	—	—	—

## PENSION BENEFITS

The table below sets forth the present value as of December 31, 2022 of the benefit of the Named Executive Officers under the defined benefit pension plan.

Name of Executive Officer	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
		(#)	(\$)	(\$)
Scott M. Quist .....	None	—	—	—
Garrett S. Sill.....	None	—	—	—
S. Andrew Quist .....	None	—	—	—
Adam G. Quist.....	None	—	—	—
Jason G. Overbaugh .....	None	—	—	—



## EQUITY COMPENSATION PLAN INFORMATION

The table below sets forth certain information as of December 31, 2022 with respect to compensation plans (including individual compensation arrangements) under which the Company's equity securities are authorized for issuance, aggregated as follows: (i) all compensation plans previously approved by security holders; and (ii) all compensation plans not previously approved by security holders.

<u>Plan Category</u>	<u>A</u>	<u>B</u>	<u>C</u>
	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity compensation plans approved by stockholders (1).....	2,135,428(2)	\$ 4.78(2)	945,693
Equity compensation plans not approved by stockholders .....	0	-	0

- (1) This reflects the 2022 Equity Incentive Plan (the "2022 Plan"), the 2013 Amended and Restated Stock Option and other Equity Incentive Awards Plan (the "2013 Plan") and the 2014 Amended and Restated Director Stock Option Plan (the "2014 Director Plan"). The 2022 Plan was approved by the stockholders at the annual stockholders meeting held on June 17, 2022, and authorized a maximum 1,000,000 shares Class A or Class C common stock for issuance thereunder (the "2022 Plan Share Reserve"). Any Class A or Class C common stock shares that are subject to awards of options or stock appreciation rights are counted against the Share Reserve as one share for every one share granted. Any Class A or Class C common stock shares that are subject to awards other than options or stock appreciation rights is counted against the 2022 Plan Share Reserve as two shares for every one share granted. The 2013 Plan was approved by the stockholders at the annual stockholders meeting held on July 12, 2013, which reserved 450,000 shares of Class A common stock, of which 150,000 shares of Class C common stock could be issued as an alternative to up to 150,000 shares of Class A common stock. The 2014 Director Plan was approved by stockholders at the annual stockholders meeting held on July 2, 2014, which reserved 150,000 shares of Class A common stock for issuance thereunder. The 2013 Plan was amended by the stockholders at the annual stockholders meeting held on July 1, 2015 to authorize an additional 450,000 shares of Class A common stock to be available for issuance under the Plan, of which up to 200,000 Class C common shares may be issued as an alternative to up to 200,000 shares of Class A common stock. The 2013 Plan was further amended by the stockholders at the annual stockholders meeting held on June 29, 2017 to authorize an additional 500,000 shares of Class A common stock to be available for issuance under the Plan, of which up to 250,000 Class C common shares may be issued as an alternative to up to 250,000 shares of Class A common stock. The 2013 Plan was further amended by the stockholders at the annual stockholders meeting held on June 26, 2020 to authorize an additional 500,000 shares of Class A common stock to be available for issuance under the Plan, of which up to 350,000 Class C common stock may be issued as an alternative to up to 350,000 shares of Class A common stock. The 2014 Director Plan was amended by the stockholders at the annual stockholders meeting held on June 26, 2020 to authorize an additional 100,000 shares of Class A common stock to be available for issuance under the Plan.
- (2) The weighted average exercise prices reflect solely the shares of Class A common stock that will be issued upon exercise of outstanding options.

## **Employment Agreement with Scott M. Quist**

On December 4, 2012, the Company entered into an employment agreement with Scott M. Quist, Chairman of the Board, President, and Chief Executive Officer of the Company. The agreement was for a six-year term beginning on December 4, 2012 and ending on December 4, 2018. The agreement has been extended to December 4, 2024. Under the terms of the Agreement, the Board of Directors may, in its sole discretion, extend the term of the agreement for an additional four-year term provided that Mr. Quist has continued to perform his duties with usual and customary care, diligence and prudence commensurate with his position with the Company. In addition, Mr. Quist is required to perform such additional duties as may be assigned to him from time to time by the Company's Board of Directors.

On October 21, 2022, the Board members approved a motion to extend Mr. Quist's employment agreement to December 4, 2024. Mr. Quist abstained from voting on the motion to extend his employment agreement for the additional four-year term. Under the terms of the agreement, Mr. Quist is to devote his full time to the Company, serving as Chairman of the Board, President and Chief Executive Officer at not less than his current salary and benefits. The Company also agrees to maintain a group term life insurance policy of not less than \$1,000,000 and a whole life insurance policy in the amount of \$500,000 on Mr. Quist's life. In the event of disability, Mr. Quist's salary would be continued for up to five years at 75% of its current level of compensation.

In the event of a sale or merger of the Company and Mr. Quist is not retained in his current position, the Company would be obligated to continue paying Mr. Quist's current compensation and benefits for seven years following the merger or sale. The employment agreement further provides that Mr. Quist is entitled to receive annual retirement benefits beginning (i) one month from the date of his retirement (to commence no sooner than age 65), (ii) five years following complete disability, or (iii) upon termination of his employment without cause. These retirement benefits are to be paid for a period of twenty years in annual installments in the amount equal to 75% of his then current level of compensation. In the event that Mr. Quist dies prior to receiving all retirement benefits thereunder, the remaining benefits are to be paid to his heirs. The Company expensed nil and \$900,000 during the years ended December 31, 2022 and 2021, respectively, to cover the present value of anticipated retirement benefits under the employment agreement. The liability accrued was \$7,556,363 and \$7,556,363 as of December 31, 2022 and 2021, respectively.

## **Independent Director Compensation**

Independent directors of the Company (but not including directors who are employees) are currently paid a director's fee of \$36,000 per year (\$3,000 monthly) by the Company for their services and are reimbursed for their expenses in attending board and committee meetings. An additional fee of \$750 is paid to each director for each day of attendance at certain management meetings and for attendance at audit committee meetings. Each independent director is provided with an annual grant of stock options to purchase 1,000 shares of Class A common stock. During 2022 each independent director was granted additional stock options to purchase 6,000 shares of Class A common stock. Upon retirement from the board, each independent director will receive "retirement compensation" equal to one month director's fee for every year of service.

In 1995, the Company's Board of Directors adopted a 401(k) Retirement Savings Plan. Under the terms of the 401(k) plan, effective as of January 1, 1995, the Company made discretionary employer matching contributions to its employees who choose to participate in the plan. The plan allowed the board to determine the amount of the contribution at the end of each year. During the period from January 1, 1995 to December 31, 2007 the Board had adopted a contribution formula specifying that such discretionary employer matching contributions would equal 50% of the participating employee's contribution to the plan to purchase the Company's stock up to a maximum discretionary employee contribution of 1/2 of 1% of participating employees' compensation, as defined by the plan.

All persons who have completed at least one year's service with the Company and satisfy other plan requirements are eligible to participate in the 401(k) plan. All Company matching contributions are invested in the Company's Class A common stock. Also, the Company may contribute at the discretion of the Company's Board of Directors an Employer Profit Sharing Contribution to the 401(k) plan. The Employer Profit Sharing Contribution is to be divided among three different classes of participants in the plan based upon the participant's title in the Company. All amounts contributed to the plan are deposited into a trust fund administered by an independent trustee.

Beginning January 1, 2008, the Company elected to be a "Safe Harbor" Plan for its matching 401(k) contributions. The Company will match 100% of up to 3% of an employee's total annual compensation and 50% of 4% to 5% of an employee's annual compensation. The match is in shares of the Company's Class A common stock. The Company's contribution for 2022 and 2021 was \$2,573,956 and \$2,820,315 respectively, under the "Safe Harbor" plan.

## Stock Repurchase Plan

In September 2018, the Board of Directors of the Company approved a Stock Repurchase Plan that authorized the repurchase of 300,000 shares of the Company's Class A Common Stock in the open market. The Company amended the Stock Repurchase Plan on December 4, 2020. The amendment authorized the repurchase of a total of 1,000,000 shares of the Company's Class A Common Stock in the open market. The repurchased shares of Class A common stock will be held as treasury shares to be used as the Company's employer matching contribution to the Employee 401(k) Retirement Savings Plan and for shares held in the Deferred Compensation Plan.

## Employee Stock Ownership Plan (ESOP)

On November 25, 2019, the Company distributed a notice of intent to terminate the ESOP Plan to all current plan participants. The Company also filed Form 5310, an application for determination for terminating plan, with the IRS on December 6, 2019. The IRS approved the ESOP termination on April 8, 2021, and the Company had until September 5, 2021, to distribute the ESOP assets and terminate the ESOP. The Company distributed the ESOP assets and terminated the ESOP, filing its final Form 5500 for the ESOP with the IRS on December 6, 2021.

## Non-Qualified Deferred Compensation Plan

In 2001, the Company's Board of Directors adopted a Non-Qualified Deferred Compensation Plan and this plan was amended in 2005 and later amended in 2019. Under the terms of the plan, the Company will provide deferred compensation for a select group of management or highly compensated employees, within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended. The Board has appointed a committee of the Company to be the plan administrator and to determine the employees who are eligible to participate in the plan. The employees who participate may elect to defer a portion of their compensation into the plan. The Company may contribute into the plan at the discretion of the Company's Board of Directors. The Company did not make any contributions for 2022 or 2021. The investment committee of the Company's Non-Qualified Deferred Compensation Plan consists of Scott M. Quist and Garrett S. Sill.

### NON-QUALIFIED DEFERRED COMPENSATION

The following table sets forth the balances of the non-qualified deferred compensation account of the Named Executive Officers in fiscal 2022 and the aggregate balance of deferred compensation of the Named Executive Officers at December 31, 2022.

Name	Executive Contributions In Last FY (\$)	Registrant Contributions In Last FY (\$)	Aggregate Earnings in last FY (\$)	Aggregate Withdrawals Distributions (\$)	Aggregate Balance at last FYE (\$)
Scott M. Quist .....	—	—	—	—	\$ 838,675(1)
Garrett S. Sill .....	—	—	—	—	78,533(2)
S. Andrew Quist.....	—	—	—	—	—
Adam G. Quist .....	—	—	—	—	—
Jason G. Overbaugh .....	—	—	—	—	190,092(3)

- (1) Includes 114,887 shares of the Company's Class A common stock, based on the closing price of \$7.30 at December 31, 2022.
- (2) Includes 10,758 shares of the Company's Class A common stock, based on the closing price of \$7.30 at December 31, 2022.
- (3) Includes 26,040 shares of the Company's Class A common stock, based on the closing price of \$7.30 at December 31, 2022.

## 2013 Stock Option and Other Equity Incentive Awards Plan

On August 24, 2013, the Company adopted the Security National Financial Corporation 2013 Stock Option Plan (the “2013 Plan”), which reserved 450,000 shares of Class A common stock to be made available for issuance thereunder, of which up to 150,000 shares of Class C common stock could be issued as an alternative to up to 150,000 shares of Class A common stock. The 2013 Plan provides for the grant of options and the award or sale of stock to officers, directors, and employees of the Company. Both “incentive stock options,” as defined under Section 422A of the Internal Revenue Code of 1986 and “non-qualified options” may be granted under the 2013 Plan. The 2013 Plan was approved by the stockholders at the Company’s Annual Meeting, which was held on July 12, 2013.

On July 1, 2015, the stockholders approved an amendment to the 2013 Plan to authorize an additional 450,000 shares of Class A common stock under the 2013 Plan, of which up to 200,000 shares of Class C common stock may be issued as an alternative to up to 200,000 shares of Class A common stock. On June 29, 2017, the stockholders approved an amendment to the 2013 Plan to authorize an additional 500,000 shares of Class A common stock to be available for issuance under the plan, of which up to 250,000 shares of Class C common stock may be issued as an alternative to up to 250,000 shares of Class A Common Stock. On June 26, 2020, the stockholders approved an amendment to the 2013 Plan to authorize an additional 500,000 shares of Class A common stock under the 2013 Plan, of which up to 350,000 shares of Class C common stock may be issued in place of up to 350,000 shares of Class A common stock.

The 2013 Plan is to be administered by the Board of Directors or by a committee designated by the Board. The terms of options granted or stock awards or sales affected under the 2013 Plan are to be determined by the Board of Directors or its committee. No options may be exercised for a term of more than ten years from the date of the grant. Options intended as incentive stock options may be issued only to employees, and must meet certain conditions imposed by the Internal Revenue Code, including a requirement that the option exercise price be no less than the fair market value of the option shares on the date of grant. The 2013 Plan provides that the exercise price for non-qualified options will not be less than at least 50% of the fair market value of the stock subject to such option as of the date of grant of such options, as determined by the Company’s Board of Directors.

The 2013 Plan also provides that if the shares of common stock shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any shares of common stock as a stock dividend on its outstanding common stock, the number of shares of common stock deliverable upon the exercise of options shall be increased or decreased proportionately and an appropriate adjustment shall be made in the purchase price to reflect such subdivision, combination or stock dividend. In addition, the number of shares of common stock reserved for purposes of the 2013 Plan shall be adjusted by the same proportion. No options may be exercised for a term of more than ten years from the date of grant.

The 2013 Plan further provides that an option shall be exercised by giving written notice to the Company. Such notice shall identify the option being exercised and specify the number of shares as to which such option is being exercised, accompanied by payment of the purchase price. The purchase price may be made either in cash or by check or, at the discretion of the Board, through delivery of shares of common stock having a fair market value equal as of the date of the exercise to the cash exercise price of the option or, at the discretion of the Board, through the use of some of the shares for which the option is being exercised (a cashless transaction), or by any combination of the foregoing means of payment.

On December 4, 2015, the Board of Directors approved a resolution to amend the 2013 Plan to include additional equity incentive awards. These additional incentive awards under the plan consist of Stock Appreciation Rights (SARs), Restricted Stock Units (RSUs), and Performance Share Awards. Stock Appreciation Rights are awards that entitle the recipient to receive cash or stock equal to the excess of the Company’s stock price on the date the SAR is exercised over the Company’s stock price on the date the SAR was granted times the number of shares of stock with respect to which the SAR is exercised. Restricted Stock Units entitle the recipient to receive RSUs that require the Company on the distribution dates to transfer to the recipient one unrestricted, fully transferable share of stock for each RSU scheduled to be paid out on that date. Performance Share Awards entitle the recipient to receive stock based on the Company meeting certain performance goals. As amended, the 2013 Plan is now entitled, the “Security National Financial Corporation Amended and Restated 2013 Stock Option and Other Equity Incentive Awards Plan.”

The 2013 Plan has a term of ten years. The Board of Directors may amend or terminate the 2013 Plan at any time, from time to time, subject to approval of certain modifications to the 2013 Plan by the stockholders of the Company as may be required by law or the 2013 Plan.

## **2014 Director Stock Option Plan**

On May 16, 2014, the Company adopted the Security National Financial Corporation 2014 Director Stock Option Plan (the “2014 Director Plan”). The 2014 Director Plan was approved by the stockholders at the Company’s Annual Meeting on July 2, 2014 and replaced the Company’s 2006 Director Stock Option Plan. The 2014 Director Plan provides for the grant by the Company of stock options to directors who are not employees or paid consultants (the “Outside Directors”) to purchase shares of Class A common stock made available for issuance under the plan. The 2014 Director Plan also provides that annually each Outside Director is automatically eligible to receive options to purchase 1,000 shares of the Company’s Class A common stock. On December 1, 2017, the 2014 Director Plan was amended to authorize the Board of Directors to establish, each year, the effective date of such automatic grants.

On March 27, 2020, the Board approved an amendment to the 2014 Director Plan to provide for the cashless exercise of stock options. Prior to the approval of the amendment, the consideration for the shares to be issued upon the exercise of a stock option under the 2014 Director Plan included cash, check, or at the discretion of the Board, through the delivery of shares of common stock having a fair market value equal to the cash exercise price of the option, or a combination of the foregoing. As amended, at the discretion of the Board, the consideration for exercising the option may also include the use of some or all of the shares for which the option is exercised (cashless exercise of the option), or by any combination of the foregoing methods of payment. As a result of the amendment, the 2014 Director Plan is now entitled, “Security National Financial Corporation Amended and Restated 2014 Director Stock Option Plan.” On June 26, 2020, the stockholders approved an amendment to the 2014 Director Plan to authorize an additional 100,000 shares of Class A common stock to be made available for issuance under the plan, thereby increasing the total number of available shares from 150,000 to 250,000.

The stock options granted to Outside Directors shall vest in four equal quarterly installments over a one-year period from the date of grant, until such shares are fully vested. The primary purposes of the 2014 Director Plan are to enhance the Company’s ability to attract and retain well-qualified persons for service as directors and to provide incentives to such directors to continue their association with the Company.

In the event of a merger of the Company with or into another company, or a consolidation, acquisition of stock or assets, or other change in control transaction involving the Company, each option granted under the 2014 Director Plan becomes exercisable in full, unless such option is assumed by the successor company. In the event the transaction is not approved by a majority of the “Continuing Directors” (as defined in the 2014 Director Plan), each option becomes fully vested and exercisable in full immediately prior to the consummation of such transaction, whether or not assumed by the successor corporation.

## **Stock Purchase Plan**

On September 11, 2015, the Board of Directors approved the Company’s Stock Purchase Plan for the mutual benefit of the Company and its stockholders. Under the terms of the Stock Purchase Plan, the Company has the option to purchase shares of Class A common stock from its officers and directors who exercise the stock options granted to them under any of the Company’s stock option plans with the proceeds from such purchases to be used to pay the taxes owed by such officers and directors as a result of the exercise of their stock options. Additionally, the officers and directors who exercise their stock options may, in their discretion, request that the Company purchase shares of their Class A common stock with the proceeds from such sale to be used to pay the taxes owed by such officers and directors as a result of the exercise of their stock options.

The Company is authorized under the Stock Purchase Plan to purchase no more than 60,000 shares of Class A common stock in any calendar year to pay the taxes owed by the officers and directors who exercise their stock options under the Stock Purchase Plan. The Company’s purchase price for the Class A common stock under the Stock Purchase Plan shall be equal to the closing sales price of the Company’s Class A common stock as reported by The Nasdaq National Market on the day that the applicable stock options are exercised by such officers and directors. Under the Stock Purchase Plan, the Company may only purchase shares of Class A common stock from the officers and directors exercising their stock options during a “Trading Window” as defined in the Company’s Insider Trading Policy and Guidelines.

## 2022 Equity Incentive Plan

On March 25, 2022, the Company's Board of Directors adopted the 2022 Equity Incentive Plan and it was approved by the Company's shareholders on June 17, 2022. The purpose of the 2022 Equity Incentive Plan is to assist the Company and its subsidiaries in attracting and retaining selected individuals to serve as directors, employees, consultants and/or advisors of the Company who are expected to contribute to the Company's success and to achieve long-term objectives which will inure to the benefit of all shareholders of the Company through the additional incentives inherent in the Awards thereunder. A maximum of 1,000,000 shares of Class A or Class C common stock are authorized for issuance under the 2022 Equity Incentive Plan (including pursuant to incentive awards). Awards under the 2022 Equity Incentive Plan are subject to the discretion of the Board and the Compensation Committee. The 2022 Equity Incentive Plan has a term of 10 years. In March 2023, the 2022 Equity Incentive Plan was amended and restated to allow vesting periods of less than one year for Restricted Stock and Restricted Stock Unit awards for directors.

### Pay versus Performance

Year	Summary Compensation Total for the Principal Executive Officer ("PEO") (1)	Compensation Actually Paid to the PEO (1)	Average Summary Compensation Table Total for Non-PEO Named Executive Officers ("NEO"s) (2)	Average Compensation Actually Paid to Non-PEO NEOs (2)	Value of Initial Fixed \$100 Investment Based On: Total Shareholder Return	Net Income (in \$M)
2022 .....	\$ 1,175,138	\$ 1,114,851	\$ 746,899	\$ 682,164	79	33,519
2021 .....	\$ 1,215,263	\$ 1,133,352	\$ 685,318	\$ 620,625	110	55,597

- (1) The totals reflected align with the data reported in the Summary Compensation Table as shown on page 12. Scott M. Quest was the PEO for each of the respective years in the table. The Non-PEO NEO column represents the Company's NEOs for each respective year. The employees included in Non-PEO NEOs for each year were Garrett S. Sill, Andrew Quist, Adam G. Quist and Jason Overbaugh.
- (2) Compensation actually paid ("CAP") has been calculated in accordance with Item 402(v) of Regulation S-K. The amounts do not reflect the actual amount of compensation earned, realized or received by the company NEOs. The amounts reflect the totals from the Summary Compensation Table on page 12 with certain adjustments as described below. The calculation of CAP requires adjustments made to the PEO and Non-PEO NEOs to determine fair value are noted in the table below.

Compensation Actually Paid Component	2022		2021	
	PEO	Non-PEO	PEO	Non-PEO
Summary Compensation Table ("SCT") Total	\$ 1,175,138	\$ 746,899	1,215,263	\$ 685,318
Deduction: SCT Option Award Amount .....	(92,787)	(85,785)	(149,410)	(134,616)
Addition: Fair value, at the end of the year, of equity awards granted during the year that remain unvested at year-end .....	32,500	47,150	-	26,100
Addition: Change in fair value, during the year, of unvested equity awards at the beginning of the year that vested during the year .....	-	(26,100)	67,499	43,823
Compensation Actually Paid .....	<u>\$ 1,114,851</u>	<u>\$ 682,164</u>	<u>\$ 1,133,352</u>	<u>\$ 620,625</u>

## DIRECTOR COMPENSATION

The table below sets forth the compensation of the Company’s non-employee directors for fiscal 2022.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (\$)	Total (\$)
John L. Cook (1).....	\$ 38,250	—	\$ 10,474	—	—	—	\$ 48,724
Gilbert A. Fuller (2).....	39,750	10,498	—	—	—	—	50,248
Robert G. Hunter, M.D. (3).....	36,000	—	10,474	—	—	—	46,474
Ludmya B. Love (4).....	38,250	—	10,474	—	—	—	48,724
Shital A. Mehta (5).....	39,750	—	10,474	—	—	—	50,224
H. Craig Moody (6).....	38,250	—	10,474	—	—	—	48,724

- (1) Mr. Cook has options to purchase 71,262 shares of the Company’s Class A common stock.
- (2) Mr. Fuller has options to purchase 64,262 shares of the Company’s Class A common stock and has 1,620 restricted stock units of the Company’s Class A common stock.
- (3) Dr. Hunter has options to purchase 71,262 shares of the Company’s Class A common stock.
- (4) Ms. Love has options to purchase 13,300 shares of the Company’s Class A common stock.
- (5) Ms. Mehta has options to purchase 13,300 shares of the Company’s Class A common stock.
- (6) Mr. Moody has options to purchase 71,262 shares of the Company’s Class A common stock.

### Outside Director Compensation

Outside Directors of the Company are currently paid a director’s fee of \$36,000 per year (\$3,000 monthly) by the Company for their services and are reimbursed for their expenses in attending Board and committee meetings. An additional director fee of \$750 is paid to each director for each day of attendance at certain management meetings and each day of attendance at audit committee meetings. Each Outside Director is provided with an automatic annual grant of stock options to purchase 1,000 shares of Class A common stock. In 2022, each Outside Director was also granted additional stock options to purchase 6,000 shares of Class A common stock. Upon retirement from the Board, each Outside Director will receive “retirement compensation” equal to one month director’s fee for every year of service.

### Delinquent Section 16(a) Reports

Compliance with Section 16(a) of the Securities Exchange Act of 1934 Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company’s executive officers, directors and persons who own more than 10% of a registered class of the Company’s equity securities to file reports of ownership and periodic changes in ownership of the Company’s shares of Class A and Class C common stock with the Securities and Exchange Commission. Such persons are also required to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on its review of the copies of stock reports received by the Company with respect to fiscal 2022, or written representations from certain reporting persons, the Company believes that its directors, executive officers, and greater than 10% beneficial owners complied with all Section 16(a) filing requirements applicable to them, except that each of the directors and reporting officers failed to timely file their respective Form 4’s in fiscal 2022 with respect to awards granted them at a December 2, 2022 meeting of the Company’s board of directors, but each of the directors and reporting officers made the required filings after the applicable deadline.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT  
AND RELATED STOCKHOLDER MATTERS**

The table below sets forth security ownership information of the Company's Class A and Class C common stock as of March 31, 2023, (i) for persons who own beneficially more than 5% of the Company's outstanding Class A or Class C common stock, (ii) for each director of the Company, and (iii) for all executive officers and directors of the Company as a group.

Name and Address (1)	Class A Common Stock		Class C Common Stock		Class A and Class C Common Stock	
	Amount Beneficially Owned	Percent of Class	Amount Beneficially Owned	Percent of Class	Amount Beneficially Owned	Percent of Class
401(k) Retirement Savings Plan (2).....	2,979,838	16.4%	184,763	6.5%	3,164,601	15.0%
George R. and Shirley C. Quist Partnership, Ltd. (3).....	1,156,448	6.4%	1,141,573	40.0%	2,298,021	10.9%
M3 Funds, LLC (4).....	1,862,553	10.2%	-	-	1,862,553	8.8%
Scott M. and Lisa J. Quist Family Trust (5).....	-	*	1,394,265	48.8%	1,394,265	6.6%
Non-Qualified Deferred Compensation Plan (6)	1,123,669	6.2%	-	-	1,123,669	5.3%
Scott M. Quist (7)(8)(9)(10)(11).....	538,388	2.9%	269,329	8.9%	807,717	3.8%
S. Andrew Quist (7)(12).....	231,840	1.3%	232,979	7.5%	464,819	2.2%
Jason G. Overbaugh (13).....	207,827	1.1%	167,062	5.5%	374,889	1.8%
Adam G. Quist (7)(14).....	44,845	*	208,623	6.8%	253,468	1.2%
Garrett S. Sill (9)(10)(15).....	109,197	*	142,706	4.8%	251,903	1.2%
Associated Investors (16).....	95,321	*	150,132	5.3%	245,453	1.2%
Estate of George R. Quist.....	144,336	*	54,020	1.9%	198,356	*
Jeffrey R. Stephens (17).....	182,613	*	-	-	182,613	*
Robert G. Hunter, M.D. (18).....	113,437	*	-	-	113,437	*
H. Craig Moody (19).....	113,433	*	-	-	113,433	*
John L. Cook (20).....	66,012	*	-	-	66,012	*
Gilbert A. Fuller (21).....	63,265	*	-	-	63,265	*
Ludmya B. Love (22).....	8,050	*	-	-	8,050	*
Shital A. Mehta (23).....	8,050	*	-	-	8,050	*
All directors and executive officers (12 persons).....	1,686,957	9.0%	1,020,699	26.9%	2,707,656	12.0%

\* Less than 1%

- (1) Unless otherwise indicated, the address of each listed stockholder is c/o Security National Financial Corporation, 433 West Ascension Way, 6<sup>th</sup> Floor, Salt Lake City, Utah 84123.
- (2) The investment committee of the 401(k) Retirement Savings Plan consists of Scott M. Quist and Garrett S. Sill, who exercise shared voting and investment powers with respect to such shares.
- (3) This stock is owned by the George R. and Shirley C. Quist Partnership, Ltd., of which Scott M. Quist is the managing general partner and, accordingly, exercises sole voting and investment powers with respect to such shares.
- (4) Based solely on the Schedule 13G/A filed on February 14, 2022, Jason A. Stock, Manager of M3 Partners, LP, a Delaware limited partnership, and M3 Funds, LLC, a Delaware limited liability company, General Partner of M3 Partners, LP; Jason A. Stock, Manager of M3 Funds, LLC; Jason A. Stock, Managing Director of M3F, Inc., a Utah corporation; Jason A. Stock, individually, and William C. Waller, individually, exercise shared voting and investment powers with respect to 1,754,690 shares of the Company's Class A common stock, or 10.0% of the outstanding shares of the Company's Class A common stock. The address of all entities and individuals filing the Schedule 13G/A is 2070 E. 2100 S. Suite 250, Salt Lake City, Utah 84109.
- (5) This stock is owned by the Scott M. and Lisa J. Quist Family Trust, of which S. Andrew Quist, Amanda J. Nelson and Adam G. Quist are the trustees and, accordingly, exercise shared voting and investment powers with respect to such shares.
- (6) The investment committee of the Company's Non-Qualified Deferred Compensation Plan consists of Scott M. Quist and Garrett S. Sill, who exercise shared voting and investment powers with respect to such shares.
- (7) Does not include 1,349,567 shares of Class C common stock owned by the Scott M. Quist and Lisa J. Quist Family Trust, of which S. Andrew Quist, Amanda J. Nelson and Adam G. Quist are the trustees and, accordingly, exercise shared voting and investment powers with respect to such shares.



- (8) Mr. Scott Quist is the Company's Chairman of the Board, President, and Chief Executive Officer. Includes options to purchase 87,212 shares of Class A common stock and 184,583 shares of Class C common stock that are currently exercisable. Mr. Quist's options to purchase 184,583 shares of Class C common stock may also, at Mr. Quist's election, consist of options to purchase 184,583 shares of Class A common stock, or any combination thereof. Mr. Quist has elected to purchase Class C common shares with such options to the extent there are sufficient authorized but unissued Class C common shares available for issuance with respect to such options. Otherwise, Mr. Quist will elect to purchase shares of Class A common stock with respect to such options.
- (9) Does not include 2,910,627 shares of Class A common stock and 184,763 shares of Class C common stock owned by the Company's 401(k) Retirement Savings Plan, of which Scott M. Quist and Garrett S. Sill are members of the investment committee and, accordingly, exercise shared voting and investment powers with respect to such shares.
- (10) Does not include 1,120,555 shares of Class A common stock owned by the Company's Non-Qualified Deferred Compensation Plan, of which Scott M. Quist and Garrett S. Sill are members of the investment committee and, accordingly, exercise shared voting and investment powers with respect to such shares.
- (11) Does not include 95,321 shares of Class A common stock and 150,132 shares of Class C common stock owned by Associated Investors, a Utah general partnership, of which Scott M. Quist is the managing partner and, accordingly, exercises sole voting and investment powers with respect to such shares.
- (12) Mr. Andrew Quist is the Company's Vice President, General Counsel, and a director. Includes options to purchase 117,654 shares of Class A common stock and options to purchase 232,979 shares of Class C common stock that are currently exercisable. The options to purchase 232,979 shares of Class C common stock may also, at Mr. Quist's election, consist of options to purchase 232,979 shares of Class A common stock, or any combination thereof. Mr. Andrew Quist has elected to purchase Class C common shares with such options to the extent there are sufficient authorized but unissued Class C common shares available for issuance with respect to such options. Otherwise, Mr. Quist will elect to purchase shares of Class A common stock with respect to such options.
- (13) Mr. Overbaugh is the Company's Vice President, National Marketing Director of Life Insurance, and a director. Includes options to purchase 56,320 shares of Class A common stock and options to purchase 167,062 shares of Class C common stock that are currently exercisable. The options to purchase 167,062 shares of Class C common stock may also, at Mr. Overbaugh's election, consist of options to purchase 167,062 shares of Class A common stock, or any combination thereof. Mr. Overbaugh has elected to purchase Class C common shares with such options to the extent there are sufficient authorized but unissued Class C common shares available for issuance with respect to such options. Otherwise, Mr. Overbaugh will elect to purchase shares of Class A common stock with respect to such options.
- (14) Mr. Adam Quist is the Vice President — Memorial Services, Assistant Secretary, General Counsel, and a director of the Company. Includes options to purchase 18,063 shares of Class A common stock and options to purchase 208,623 shares of Class C common stock that are currently exercisable. The options to purchase 208,623 shares of Class C common stock may also, at Mr. Quist's election, consist of options to purchase 208,623 shares of Class A common stock, or any combination thereof. Mr. Adam Quist has elected to purchase Class C common shares with such options to the extent there are sufficient authorized but unissued Class C common shares available for issuance with respect to such options. Otherwise, Mr. Quist will elect to purchase shares of Class A common stock with respect to such options.
- (15) Mr. Sill is the Company's Chief Financial Officer and Treasurer. Includes options to purchase 24,536 shares of Class A common stock and options to purchase 142,706 shares of Class C common stock that are currently exercisable. The options to purchase 142,706 shares of Class C common stock may also, at Mr. Sill's election, consist of options to purchase 142,706 shares of Class A common stock, or any combination thereof. Mr. Sill has elected to purchase Class C common shares with such options to the extent there are sufficient authorized but unissued Class C common shares available for issuance with respect to such options. Otherwise, Mr. Sill will elect to purchase shares of Class A common stock with respect to such options.
- (16) The managing general partner of Associated Investors is Scott M. Quist, who exercises sole voting and investment powers with respect to such shares .
- (17) Mr. Stephens is the Company's Senior General Counsel and Secretary. Includes options to purchase 47,701 shares of Class A common stock granted to Mr. Stephens that are currently exercisable .
- (18) Dr. Hunter is a director of the Company. Includes options to purchase 66,012 shares of Class A common stock granted to Dr. Hunter that are currently exercisable.
- (19) Mr. Moody is a director of the Company. Includes options to purchase 66,012 shares of Class A common stock granted to Mr. Moody that are currently exercisable .
- (20) Mr. Cook is a director of the Company. Includes options to purchase 66,012 shares of Class A common stock granted to Mr. Cook that are currently exercisable .
- (21) Mr. Fuller is a director of the Company. Includes options to purchase 54,973 shares of Class A common stock granted to Mr. Fuller that are currently exercisable.
- (22) Ms. Love is a director of the Company. Includes options to purchase 8,050 shares of Class A common stock granted to Ms. Love that are currently exercisable .

- (23) Ms. Mehta is a director of the Company. Includes options to purchase 8,050 shares of Class A common stock granted to Ms. Mehta that are currently exercisable .

The Company's executive officers and directors, as a group, own beneficially approximately 12% of the outstanding shares of the Company's Class A and Class C common stock.

#### **Certain Relationships and Related Transactions and Director Independence**

The Company's Board of Directors has a written procedure, which requires disclosure to the Board of any material interest or any affiliation on the part of any of its officers, directors or employees that is in conflict or may be in the conflict with the interests of the Company.

## REPORT OF THE COMPENSATION COMMITTEE

### Compensation Discussion and Analysis

Under rules established by the Securities and Exchange Commission (the “Commission”), the Company is required to provide certain data and information in regard to the compensation and benefits provided to its Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers. In fulfillment of this requirement, the Compensation Committee, at the direction of the Board of Directors, has prepared the following report for inclusion in this Proxy Statement.

**Executive Compensation Philosophy.** The Compensation Committee of the Board of Directors is composed of six directors, all of whom are independent, outside directors. The Compensation Committee is responsible for setting and administering the policies and programs that govern both annual compensation and stock ownership programs for the executive officers of the Company. The Company’s executive compensation policy is based on principles designed to ensure that an appropriate relationship exists between executive pay and corporate performance, while at the same time motivating and retaining executive officers.

**Executive Compensation Components.** The key components of the Company’s compensation program are base salary, an annual incentive award, and equity participation. These components are administered with the goal of providing total compensation that is competitive in the marketplace, rewards successful financial performance, and aligns executive officers’ interests with those of stockholders. The Compensation Committee reviews each component of executive compensation on an annual basis.

*Base Salary.* Base salaries for executive officers are set at levels believed by the Compensation Committee to be sufficient to attract and retain qualified executive officers. Base pay increases are provided to executive officers based on an evaluation of each executive’s performance, as well as the performance of the Company as a whole. In establishing base salaries, the Compensation Committee not only considers the financial performance of the Company, but also the success of the executive officers in developing and executing the Company’s strategic plans, developing management employees and exercising leadership. The Compensation Committee believes that executive officer base salaries for 2022 were reasonable as compared to amounts paid by companies of similar size.

*Annual Incentive.* The Compensation Committee believes that a significant proportion of total cash compensation for executive officers should be subject to attainment of specific Company financial performance. This approach creates a direct incentive for executive officers to achieve desired performance goals and places a significant percentage of each executive officer’s compensation at risk. Consequently, each year the Compensation Committee establishes potential bonuses for executive officers based on the Company’s achievement of certain financial performance. The Compensation Committee believes that executive officer annual bonuses for 2022 were reasonable as compared to amounts paid by companies of similar size.

*Stock Options.* The Compensation Committee believes that equity participation is a key component of its executive compensation program. Stock options are granted to executive officers primarily based on the officer’s actual and potential contribution to the Company’s growth and profitability and competitive marketplace practices. Option grants are designed to retain executive officers and motivate them to enhance stockholder value by aligning the financial interests of executive officers with those of stockholders. Stock options also provide an effective incentive for management to create stockholder value over the long term since the full benefit of the compensation package cannot be realized unless an appreciation in the price of the Company’s Class A common stock occurs over a number of years.

**Compensation of Chief Executive Officer.** Consistent with the executive compensation policy and components described above, the Compensation Committee determined the salary, bonus and stock options received by Scott M. Quist, Chairman of the Board, President, and Chief Executive Officer of the Company, for services rendered in 2022. Mr. Quist had received a base salary of \$651,533 for 2022. Under the Compensation Committee’s rules, the Chief Executive Officer may not be present during voting or deliberations related to his compensation.

#### COMPENSATION COMMITTEE

H. Craig Moody, Chairman  
Gilbert A. Fuller  
John L. Cook  
Ludmya B. Love  
Shital A. Mehta  
Robert G. Hunter, M.D.

## REPORT OF THE AUDIT COMMITTEE

The Company has an Audit Committee consisting of five non-management directors: John L. Cook, H. Craig Moody, Ludmya B. Love, Shital A. Mehta and Gilbert A. Fuller (Chairman of the committee). Each member of the Audit Committee is considered independent and qualified in accordance with applicable independent director and audit committee listing standards.

During the year 2022, the Audit Committee met three times. The Audit Committee has met with management and discussed the Company's internal controls, the quality of the Company's financial reporting, the results of internal and external audit examinations, and the audited financial statements. In addition, the Audit Committee met with the Company's independent registered public accountants, Deloitte & Touche LLP, and discussed all matters required to be discussed by the auditors with the Audit Committee under the Statement on Auditing Standards No. 114 (communication with audit committees). The Audit Committee reviewed and discussed with the auditors their annual written report on their independence from the Company and its management, which is made under Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and Public Company Accounting Oversight Board Rule No. 3526 (Communication with Audit Committees Concerning Independence), and considered with the auditors whether any non-audit services provided by them to the Company during 2022 was compatible with the auditors' independence.

In performing these functions, the Audit Committee acts only in an oversight capacity. In its oversight role, the Audit Committee relies on the work and assurances of the Company's management, which is responsible for the integrity of the Company's internal controls and its financial statements and reports, and the Company's independent auditors, who are responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards and for issuing a report on these financial statements.

Pursuant to the reviews and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for filing with the U.S. Securities and Exchange Commission.

### AUDIT COMMITTEE

Gilbert A. Fuller, Chairman  
H. Craig Moody  
John L. Cook  
Ludmya B. Love  
Shital A. Mehta

## **PROPOSAL 2 - APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables the Company's stockholders to vote to approve, on an advisory (nonbinding) basis, the compensation of the Named Executive Officers as disclosed in this Proxy Statement in accordance with the SEC's rules. Thus, pursuant to Section 14A of the Securities Exchange Act of 1934, the Company is asking stockholders for an advisory approval of the compensation of the Company's Named Executive Officers as described in the Compensation Discussion and Analysis, the compensation tables, and related narrative discussion included in this Proxy Statement.

As discussed in the Compensation Discussion and Analysis, the Company designs its compensation programs to maintain a performance- and achievement-oriented environment throughout the Company. The goals of the Company's executive compensation program are to provide total compensation that is competitive in the market place and that rewards successful financial performance in order to attract, retain, and motivate highly-qualified executive officers and other key employees who contribute to the Company's long-term success, to align executive compensation with the Company's business objectives and performance, and to motivate executive officers to enhance long-term stockholder value.

Consistent with these goals and as discussed in the Compensation Discussion and Analysis, the Compensation Committee has designed guiding principles to ensure that an appropriate relationship exists between executive pay and corporate performance, while at the same time motivating and retaining executive officers.

The Company is asking its stockholders to indicate their support for the compensation of the Company's Named Executive Officers as described in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives the stockholders the opportunity to express their views on the compensation of the Named Executive Officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of the Company's Named Executive Officers and the philosophy, policies, and practices described in this Proxy Statement. Accordingly, the Board of Directors asks the stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2022 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the United States Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2022 Summary Compensation Table, and the other related tables and disclosures."

The say-on-pay vote is advisory, and therefore not binding on the Company, the Board of Directors, or the Compensation Committee. The Board of Directors and the Compensation Committee value the opinions of the Company's stockholders and will take into account the outcome of this vote in considering future compensation arrangements for the Named Executive Officers.

**The Board of Directors recommends that the stockholders vote "FOR" approval, on an advisory basis, of the compensation paid to the Company's Named Executive Officers.**

### **PROPOSAL 3 – ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION**

Section 14A and related rules promulgated by the Commission require that the Company’s shareholders be given the opportunity, once every six years, to cast an advisory (non-binding) vote on how frequently the Company should consider future Say-on-Pay proposals at its annual meetings of shareholders (referred to as a “Say-on-Frequency” vote). This proposal gives the Company’s shareholders the opportunity to indicate whether they would prefer that, during the next six years, the Company’s shareholders be given a non-advisory vote on future Say-on-Pay proposals once every one, two, or three years. If they wish, shareholders may also abstain from casting a vote on this proposal. Accordingly, the following resolution will be submitted to the Company’s shareholders for approval at the Annual Meeting:

“RESOLVED, that the option of every year (annual basis), every two years (biennial basis) or every three years (triennial basis) that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency of the Company’s shareholders, on an advisory basis, for holding an advisory vote on the compensation of the Company’s named executive officers as disclosed in the Company’s proxy statement pursuant to the Securities and Exchange Commission’s compensation disclosure rules.”

Similar to the Say-on-Pay proposal, this vote is advisory in nature and will not bind the Company or the Board to adopt any particular frequency. However, the Board values the opinion of the Company’s shareholders and will consider the outcome of the vote when determining how frequently to address future Say-on-Pay proposals. Regardless of the outcome of this Say-on-Frequency vote, the Board may decide that it is in the best interests of the Company’s shareholders and the Company to include a Say-on-Pay proposal in the Company’s proxy statement more or less frequently than the frequency receiving the most votes cast by the Company’s shareholders at the Annual Meeting. The Board anticipates that, following the Annual Meeting, the next advisory Say-on-Frequency vote will take place in connection with the Company’s 2029 annual meeting of shareholders.

#### Voting

The proxy card allows shareholders to vote for one of four choices at the Annual Meeting: one year, two years, three years, or abstain from voting on this proposal.

**The Board recommends that shareholders vote THREE YEARS on the proposal to recommend, on an advisory basis, the frequency of executive compensation votes during the next six years.**

**PROPOSAL 4 - RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The independent public accounting firm of Deloitte & Touche LLP has been the Company’s independent registered public accountants since June 1, 2017. The Audit Committee recommended and the Board of Directors appointed Deloitte & Touche LLP for purposes of auditing the consolidated financial statements of the Company for the fiscal year ending December 31, 2023. It is anticipated that representatives of Deloitte & Touche LLP will be present at the Annual Meeting, will be provided an opportunity to make a statement if they desire and are expected to be available to respond to appropriate questions.

**The Board of Directors recommends that stockholders vote “FOR” ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants for fiscal year ending December 31, 2023.**

**PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table summarizes the fees of the Company’s current independent auditors, billed to the Company for each of the last two fiscal years for audit and other services. All of these fees were reviewed and approved by the Audit Committee of the Board of Directors:

<u>Fee Category</u>	<u>2022</u>	<u>2021</u>
Audit Fees (1) .....	\$ 966,967	\$ 853,639
Audit-Related Fees (2).....	34,100	41,750
Tax Fees (3).....	115,850	108,928
All Other Fees (4).....	-	-
	<u>\$ 1,116,917</u>	<u>\$ 1,004,317</u>

- 
- (1) Audit fees consist of aggregate fees billed for professional services rendered for the audit of the Company’s annual financial statements and review of the interim financial statements included in quarterly reports or services that are normally provided by the independent auditor in connection with statutory and regulatory filings for the years ended December 31, 2022 and 2021.
  - (2) Audit related fees consist of aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit Fees”. These fees include review of registration statements, and audits of the Company’s ESOP and 401(k) Plans.
  - (3) Tax fees consist of aggregate fees billed for professional services for tax compliance, tax advice, and tax planning.
  - (4) All other fees consist of aggregate fees billed for products and services by the independent auditors, other than those disclosed above.

**OTHER MATTERS**

The Company knows of no other matters to be brought before the Annual Meeting, but if other matters properly come before the meeting, it is the intention of the persons named in the enclosed form of Proxy to vote the shares they represent in accordance with their judgment.

## ANNUAL REPORT AND FINANCIAL STATEMENTS

Stockholders are referred to the Company's Annual Report, including financial statements, for the fiscal year ended December 31, 2022. The 2022 Annual Report is not included with this Proxy Statement. Please go online to review the Company's 2022 Annual Report at [www.securitynational.com/annualmeeting](http://www.securitynational.com/annualmeeting). The Company will provide, without charge to each stockholder upon request, the 2022 Annual Report as filed with the United States Securities and Exchange Commission for the fiscal year ended December 31, 2022. Such requests should be directed to Jeffrey R. Stephens, Senior General Counsel and Secretary, by email at [contact@securitynational.com](mailto:contact@securitynational.com) or by regular mail at Security National Financial Corporation, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123.

### **DEADLINE FOR RECEIPT OF STOCKHOLDER'S PROPOSALS FOR ANNUAL MEETING TO BE HELD IN JUNE 2024**

Any proposal by a stockholder to be presented at the Company's Annual Meeting of Stockholders expected to be held in June 2024 must be received at the offices of the Company, 433 Ascension Way, 6th Floor, Salt Lake City, Utah 84123, no later than December 31, 2023.

By order of the Board of Directors,



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Jeffrey R. Stephens  
Senior General Counsel and Secretary

April 27, 2023  
Salt Lake City, Utah