

August 9, 2011

Principles of Conduct
and Ethics for the
Board of Directors
Service Corporation International

Contents

| | |
|---------------------------------|-----|
| 1. Introduction..... | I |
| 2. Conflicts of Interest..... | I |
| 3. Corporate Opportunities..... | II |
| 4. Insider Trading..... | II |
| 5. Confidentiality | III |
| 6. Communications | III |
| 7. Company Assets..... | III |
| 8. Legal Compliance | IV |
| 9. Reporting Violations..... | IV |

1. Introduction

Service Corporation International (SCI) serves people and communities at a most vulnerable time of living, namely, the death of loved ones. Because of this unique mission, how we conduct our business and professional affairs is critical. We believe that it is the responsibility of the Board of Directors to set a leadership tone for SCI reflecting our fundamental value of integrity. These *Principles of Conduct and Ethics for the Board of Directors*, in conjunction with our *Corporate Governance Guidelines*, detail the principles and policies under which our Board of Directors will govern themselves.

The Board of Directors will provide oversight of the implementation of these Principles of Conduct and Ethics for the Board of Directors. SCI also has a Policy Statement on Ethics and Conflicts of Interest that applies to all SCI officers and employees. The Board will review these policies at least annually, recommending any updates or modifications to such policies. The Board will review reports of any infractions of such policies by directors or officers and will take steps to ensure that violations are reported and the policies are enforced.

Any waiver of these Principles as to any member of the Board of Directors will be made only by the Nominating and Corporate Governance Committee of the Board or by the full Board, where the Nominating and Corporate Governance Committee deems the matter appropriate for consideration by the full Board, and all waivers will be disclosed as required.

2. Conflicts of Interest

A “conflict of interest” occurs when an individual director’s private interests interfere or even appear to interfere in any way with the interests of SCI. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her role as a Board member of SCI objectively and effectively. Conflicts of interest also arise when a director, or a member of the director’s family, receives improper personal benefits as a result of his or her position as a member of the Board of SCI.

Conflicts of interest and even the appearance of such conflicts are to be avoided by each and every member of the Board. The “appearance of a conflict” is an objective standard based upon what a reasonable person might view as a potential conflict. This applies equally to business relationships and personal activities.

In the event that any director believes that he or she is in a situation where a conflict of interest or the appearance of a conflict of interest may arise, he or she has an obligation to report this to the Chairman of the Nominating and Corporate Governance Committee immediately. In the event that a director becomes aware that one of his or her fellow directors is in a conflict of interest situation or an apparent conflict of interest situation, that director also has a duty to report this immediately to the Chair of the Nominating and

Corporate Governance Committee. In the event that the Chair of the Nominating and Corporate Governance Committee finds himself or herself in a potential conflict of interest he or she will disclose this immediately to the other members of the Committee.

The Nominating and Corporate Governance Committee will meet without the director or directors in the potential conflict of interest situation present and make a decision as to how to respond. The range of responses may vary depending upon the circumstances and may include requesting the director's resignation from the Board, excluding that director's participation from any and all discussions regarding the matter where the real or potential conflict may exist, or such other reasonable response as the Committee may determine.

3. Corporate Opportunities

Directors with access to privileged company or competitive information hold special positions of trust and confidence. Using such information improperly for personal gain in a manner which is a detriment to SCI is a breach of fiduciary duty. Such violations include but are not limited to improperly:

- Taking for themselves, personally, opportunities that are discovered through the use of corporate information, property, or their position as Board members
- Using corporate information, property, or position as a member of the Board of SCI for personal gain.
- Competing with SCI

Directors owe a duty to the company to advance its legitimate interests when the opportunity to do so arises. If a director brings forward a corporate opportunity that he or she is aware of to SCI or to the SCI Board of Directors and SCI, after due consideration, makes a decision not to pursue this opportunity, it is not longer considered a "corporate opportunity" within the ambit of this provision.

4. Insider Trading

Material inside information should be guarded carefully. It is unlawful and prohibited for directors to purchase or sell SCI's securities or any other kind of property based on knowledge of material non-public information concerning SCI. All members of the Board of Directors shall notify SCI's Legal Department before making any trades in SCI stock.

"Material" information is information of such importance that it can be expected to affect the judgment of investors as to whether or not to buy, sell, or hold the securities

in question.” “Nonpublic” means it is not generally available to the public. Insider “tipping” may include inadvertent statements. Board members shall not discuss whether to purchase or sell SCI stock or any other SCI securities outside the purview of the Boardroom.

5. Confidentiality

Directors will maintain the confidentiality of information entrusted to them by SCI, its officers, its employees, and others. Throughout, and even after their service on the Board of Directors, directors shall not directly or indirectly publish, disclose, describe, or communicate confidential information, or authorize anyone else to do so for any purpose other than corporate purposes, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors or harmful to SCI or its customers, if disclosed.

6. Communications

In all interactions and communications, SCI directors must always be truthful and shall not make statements intended to mislead or misinform. If any director of SCI receives a request for information or documents, he or she shall communicate this immediately to SCI’s Legal Department. The Legal Department will determine the appropriate response and give authorization prior to providing documentation to outside parties.

Directors will not speak on behalf of the Board or SCI in response to interview requests unless asked to do so by the Chairman of the Board.

7. Company Assets

SCI commits to conduct its business in an ethical manner. Property and assets held in the name of SCI should be used for the purpose of conducting company business. A limited exception to the “business only” rule is when conducting “incidental personal business,” in which case the asset in question must be used in a manner consistent with the following guidelines:

- Usage is limited in duration or extent
- Usage does not adversely impact the user’s responsibilities or duties to SCI
- Usage does not subject SCI to any non-reimbursed, significant incremental cost
- Usage does not violate these Principles, including but not limited to, provisions related to conflicts of interest and/or disclosure of confidential information
- Usage is consistent with SCI policies

8. Legal Compliance

The Board of Directors shall proactively promote compliance with applicable laws, rules, and regulations governing SCI, its officers, and its Board members.

9. Reporting Violations

Any violations of these Principles or suspected violation thereof shall be reported immediately to the Chair of the Nominating and Corporate Governance Committee of the Board. The Nominating and Corporate Governance Committee will meet in the absence of any director involved in a potential infringement of such Principles to consider appropriate action and shall act decisively in instances where violations of such Principles have occurred.

The Board of Directors shall also oversee adoption of comparable principles and policies by SCI to encourage employees to report violations of laws, rules, and regulations, which includes protection of directors, officers and employees from retaliation for reports of violations made in good faith.