

## HOLD SEPARATE TRUSTEE AGREEMENT

This Hold Separate Trustee Agreement (“Trustee Agreement” or “Agreement”) entered into this <sup>6<sup>th</sup></sup> day of December, 2013, among Paul A. Houston (“Trustee”) and Service Corporation International (“Respondent”) (Trustee and Respondent are each individually referred to herein as a “Party” and collectively referred to herein as the “Parties”), provides as follows:

WHEREAS, upon consummation of Respondent’s acquisition of Stewart Enterprises, Inc. (“Stewart”), Respondent will own the businesses defined under this Agreement as the Hold Separate Business;

WHEREAS, the United States Federal Trade Commission (the “Commission”) has entered into an Agreement Containing Consent Agreements with Respondent and Stewart (“Consent Agreement,” which is attached hereto as Exhibit A), which includes an Order to Hold Separate and Maintain Assets (“Hold Separate”) and Decision and Order, that provides, among other things, that Respondent shall hold the assets of the Hold Separate Business separate, apart, and independent from Respondent’s other businesses;

WHEREAS, the Consent Agreement further provides for the appointment of a Hold Separate Trustee to supervise the management of the Hold Separate Business by one or more Hold Separate Managers to be appointed under the Consent Agreement who shall be singularly or collectively referred to herein as the Hold Separate Manager (“Manager”), to maintain the independence of the Hold Separate Business, and to monitor Respondent’s compliance with its obligations under the Consent Agreement, including, without limitation, maintaining the viability, marketability and competitiveness of each Hold Separate Business prior to its divestiture during the term of this Agreement;

WHEREAS, the Consent Agreement further provides that Respondent shall execute an agreement, subject to prior approval of the Commission, conferring all the rights, powers, and authority necessary to permit the Trustee to perform his duties and responsibilities pursuant to the Consent Agreement;

WHEREAS, this Trustee Agreement, although executed by Trustee and Respondent, is not effective for any purpose, including but not limited to, imposing rights and responsibilities on Respondent or the Trustee, until this Agreement has been approved by the Commission; and

WHEREAS, the Parties to this Agreement intend to be legally bound;

NOW, THEREFORE, the Parties agree as follows:

1. Capitalized terms used herein and not specifically defined herein shall have the respective definitions given to them in the Consent Agreement.

2. The Trustee shall have all of the rights, powers, authority, and responsibilities conferred upon the Hold Separate Trustee by the Consent Agreement, including, without limitation, the responsibility, consistent with the Consent Agreement, for monitoring

the organization of the Hold Separate Business; for supervising the management of the Hold Separate Business by the Manager; for maintaining the independence of the Hold Separate Business and the Manager; and for monitoring Respondent's compliance with its obligations under the Hold Separate and the Decision and Order, including, without limitation, maintaining the viability, marketability and competitiveness of each Hold Separate Business.

3. Respondent shall enter into an agreement with the Hold Separate Manager that shall become effective no later than one (1) day after the Acquisition Date, subject to approval of the Hold Separate Trustee, in consultation with the Commission staff.

4. The Trustee shall (i) serve, without bond or other security, at the expense of Respondent, and (ii) have the authority to employ, at the expense of Respondent, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Trustee's duties and responsibilities under the Hold Separate and hereunder.

5. In the performance of his functions and duties under this Agreement, the Trustee warrants that he will perform his obligations hereunder in good faith, using his best efforts to perform these services and preserve the Hold Separate Business as a viable, competitive and ongoing enterprise in accordance with generally accepted industry standards.

6. The Trustee shall act in a fiduciary capacity for the benefit of the Commission.

7. Subject to applicable laws and regulations, the limitations contained in the Consent Agreement, and any legally recognized privilege of Respondent, the Trustee shall have full and complete access to Respondent's personnel, books, records, documents, facilities and technical information of the Hold Separate Business and to any other relevant information, as the Trustee may reasonably require to perform the services set forth herein including, but not limited to all documents and records kept by Respondent in the ordinary course of business that relate to the Hold Separate Business. Respondent shall develop such financial or other information as the Trustee may reasonably request and shall cooperate with the Trustee.

8. The Trustee shall supervise the Manager, who shall manage the Hold Separate Business independently of the management of Respondent and their other businesses and under the exclusive direction of the Trustee to whom the Manager shall report directly. The Trustee shall consult with the Manager as needed to (i) staff the Hold Separate Business with sufficient employees to maintain the viability and competitiveness of the Hold Separate Business, and (ii) employ at the expense of Respondent, such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Manager's duties and responsibilities. The Trustee shall be consulted by the Manager prior to any decision by them to make any material changes in the ongoing operations or business plans of the Hold Separate Business. The Trustee shall consult with the Commission staff prior to approving or rejecting any proposal by the Manager to make any material changes in the ongoing operations or business plans of the Hold Separate Business. The Trustee shall be permitted, in consultation with the Commission staff, to remove the Manager for cause.

9. The Trustee shall report in writing to the Commission (i) every thirty (30) days after the effective date of this Agreement, (ii) no later than ten (10) days after Respondent has completed its obligations under Paragraphs II.A. and II.F. of the Decision and Order, and (iii) at such other time as the Commission staff may request, concerning Respondent's efforts to accomplish the purposes of the Hold Separate and the Decision and Order.

10. The Trustee shall maintain the confidentiality of all information provided by Respondent, all Confidential Information of a Hold Separate Business and all confidential aspects of the performance of his duties under this Agreement (collectively, "Confidential Materials"). Except as provided in this Agreement, such information may be disclosed only to (i) Persons employed by or working with the Trustee under this Trustee Agreement (provided that such Person shall execute a confidentiality agreement prior to receiving Confidential Materials), (ii) any other Person to whom disclosure is reasonably necessary for the Trustee to fulfill his duties (provided that such Person shall execute a confidentiality agreement prior to receiving Confidential Materials), or (iii) the Commission and staff. When providing Confidential Materials to a third party pursuant to this Paragraph, the Trustee shall label such information "Confidential." The Trustee shall request confidential treatment by the Commission and staff of any Confidential Materials turned over to the Commission, including any information labeled "Confidential" by Respondent. The Trustee shall use the Confidential Materials provided by Respondent pursuant to this Agreement or learned in connection with performing his obligations under this Agreement only in performance of the duties set forth herein. At no time shall Trustee use such information for any other purpose or for the benefit of any other Person. The confidentiality obligations of this Paragraph shall survive the termination of this Agreement.

11. The Trustee shall retain and maintain all Confidential Information of or pertaining to the Hold Separate Business on a confidential basis and shall be prohibited from disclosing, providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any Person whose employment involves any of Respondent's businesses, other than the Hold Separate Business, except for Support Services Employees and otherwise as permitted by the Consent Agreement, as required by law, as necessary in the course of consummating the Acquisition, as necessary in negotiating agreements to divest assets pursuant to the Consent Agreement and engaging in related due diligence, as necessary in otherwise complying with the Consent Agreement, as necessary in overseeing compliance with policies and standards concerning safety, health and environmental aspects of the operations of the Hold Separate Business and the integrity of the financial controls of the Hold Separate Business, as necessary in defending legal claims, investigations or enforcement actions threatened or brought against or related to the Hold Separate Business, or as necessary in obtaining legal advice, in which case, the Trustee shall cooperate with Respondent and provide such information as may be necessary. The Trustee shall provide Respondent with aggregate financial and operational information relating to the Hold Separate Business as necessary to allow Respondent to comply with the requirements and obligations of the laws of the United States and other countries, to prepare consolidated financial reports, tax returns, reports required by securities laws, and personnel reports, and to comply with the Consent Agreement.

12. The Trustee shall keep the financial terms of this Agreement confidential for one (1) year after the expiration of this Agreement.

13. Nothing in this Agreement shall require Respondent or the Trustee to disclose any material or information that is subject to a legally recognized privilege or that Respondent or the Trustee is prohibited from disclosing by reason of law or any agreements existing as of the date hereof with a third party.

14.

## CONFIDENTIAL INFORMATION REDACTED

15. Respondent shall indemnify the Trustee and hold the Trustee harmless against any losses, claims, damages, liabilities or expenses arising out of, or in connection with, the performance of the Trustee's duties pursuant to this Agreement, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Trustee. This obligation to indemnify the Trustee shall survive the termination of this Agreement.

16. In the event of a disagreement or dispute between Respondent and the Trustee, and in the event that such disagreement or dispute cannot be resolved by the Parties, either Party may seek the assistance of the Assistant Director of the Commission's Compliance Division, to resolve the issue. In the event that such disagreement or dispute cannot be resolved by the Parties, the Parties shall submit the matter to binding arbitration before the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Binding arbitration shall not be available, however, to resolve any disagreement or dispute concerning Respondent's obligations pursuant to any Consent Agreement entered by the Commission.

17. The term of this Agreement shall commence when Respondent assumes ownership of the Hold Separate Business, and shall continue until the earlier of: (i) the termination of the Hold Separate, (ii) when the Commission appoints a substitute Trustee pursuant to the Hold Separate, or (iii) if the Trustee terminates this Agreement upon at least thirty (30) days' notice and with the approval of the Commission; provided, however, that the Trustee's responsibilities under this Agreement with regard to any particular Hold Separate Business shall terminate upon the consummation of the sale of that business to a purchaser

approved by the Commission as contemplated under the Consent Agreement; provided further that the Commission may extend or modify this period as may be necessary or appropriate to accomplish the purposes of the Consent Agreement.

18. Unless otherwise directed by the Commission or its staff, upon termination of the Trustee's duties under this Agreement and after fulfilling his obligations under the following Paragraph, Trustee shall, within five (5) business days of such termination, return to Respondent, destroy or permanently erase, all Confidential Materials received from Respondent or obtained during the performance of his duties, including all copies and other reproductions or extracts relating to such information as well as any material generated by the Trustee or his agents that is based upon Confidential Materials.

19. Should the Commission appoint a substitute Hold Separate Trustee pursuant to the Hold Separate, the Trustee shall cooperate with Respondent and the substitute Hold Separate Trustee in order to effect a prompt transition to the substitute Trustee. Such cooperation shall include, but is not limited to, (i) the prompt return to Respondent of all Confidential Materials as required by the preceding Paragraph of this Agreement, and (ii) the provision of access to personnel of the Trustee for interviews by Respondent and/or the substitute Hold Separate Trustee for purposes of gathering relevant information relating to the performance by the Trustee of his duties.

20. Any notices or other communication required to be given hereunder shall be deemed to have been properly given if sent by mail, e-mail, or fax (with acknowledgment of receipt of such having been received), to the applicable Party at its address below (or to such other address as to which such Party shall hereafter notify the other party):

If to the Trustee, to:  
Paul A. Houston

CONFIDENTIAL INFORMATION REDACTED

If to Respondent, to:

CONFIDENTIAL INFORMATION REDACTED

21. The Trustee Agreement may not be assigned by Respondent or the Trustee without the prior written consent of the other Party and the Commission.

22. It is understood and agreed that Trustee shall act as an independent contractor in the undertaking of this Agreement and Trustee shall exercise control over and employ his own means and methods of accomplishing the projects and tasks in performing services hereunder.

23. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

24. This Trustee Agreement contains the entire agreement between the Parties relating to the subject matter hereof and supersedes all previous negotiations, agreements, undertakings and representations, documents, minutes of meetings, letters or notices (whether oral or written) between the Parties and/or their respective affiliates with respect to the subject matter.


25. This Trustee Agreement shall not become binding until it has been approved by the Commission and the Consent Agreement has been accepted for public comment. This Trustee Agreement shall be interpreted in a manner consistent with the Hold Separate and Consent Agreement and nothing in this Agreement will limit the authority and duties of the Trustee as defined in the Hold Separate and Consent Agreement. The Consent Agreement shall govern this Trustee Agreement and any provisions herein that conflict or are inconsistent with such orders may be declared void by the Commission and any provision not in conflict shall survive and remain a part of this Trustee Agreement.

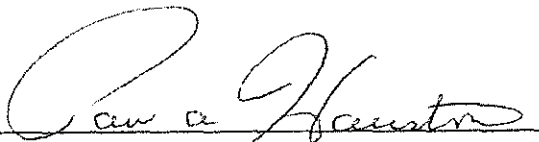
26. This Agreement shall be deemed to have been entered into and shall be construed and enforced in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the Parties hereto have executed this Trustee Agreement as of the date first above written.

Service Corporation International  
A Texas Corporation

Hold Separate Trustee

By:   
Name: Gregory T. Sangalis  
Title: Senior Vice President, General Counsel  
& Secretary

  
Name: Paul A. Houston  
DEC 5 / 2013

