

# **H&R BLOCK, INC.**

## **COMPENSATION COMMITTEE CHARTER**

### **ROLE OF THE COMPENSATION COMMITTEE**

The Compensation Committee is a standing committee of the Board of Directors, established to discharge the Board of Directors' responsibilities relating to compensation of the Company's executives and to produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

### **COMMITTEE COMPOSITION**

The Compensation Committee shall consist of at least three directors appointed by the Board of Directors, each of whom is: (1) an "outside director" within the meaning of the Treasury Regulations promulgated under Section 162(m) of the Internal Revenue Code, (2) "independent" under the applicable standards of the New York Stock Exchange, and (3) a "non-employee director" within the meaning of Rule 16b-3 under the federal securities laws.

### **MEETINGS**

The Compensation Committee will generally meet two times per year. Special meetings may be called by the Board of Directors or the chairperson of the Compensation Committee, as deemed necessary. The Compensation Committee may request members of management, professional advisors or others to attend the Committee meetings and provide pertinent information, as necessary.

### **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

The Compensation Committee shall have the sole authority to retain and terminate any consulting firm to assist in the evaluation of CEO or senior executive compensation, including the sole authority to approve such consulting firm's fees and other retention terms. The Compensation Committee shall also have the authority to delegate authority to such subcommittees as it deems appropriate and in the best interest of the Company and its shareholders.

The Compensation Committee shall have the following responsibilities:

1. Consider and make recommendations to the Board regarding the executive succession plan, including election, retention or removal of officers of H&R Block, Inc., the chief executive officer of each business unit, and other key associates as appropriate.
2. Review and approve corporate goals and objectives relevant to the chief executive officer of H&R Block, Inc. (the "CEO"), formally evaluate the performance of the CEO in light of such goals and objectives and make recommendations to the Board regarding the CEO's compensation (including base salary and all incentives and perquisites) based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the

Compensation Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the CEO in past years.

3. Approve the terms of any employment agreements with elected officers of H&R Block, Inc. and the chief executive officer of each business unit, and any other agreements containing compensation or benefit provisions related to a change in control.
4. Approve the compensation, including base salary, incentives, perquisites and other remuneration recommended by the chief executive officer of H&R Block, Inc. for all elected officers of H&R Block, Inc. (other than such chief executive officer) and its subsidiaries who are designated by the Board of Directors as "executive officers" under Rule 3b-7 of the Securities Exchange Act of 1934, as amended, and as Section 16 "officers" under such Act (the "Designated Officers").
5. Consider and make recommendations to the Board concerning the structure, award formulae and performance targets for all incentive compensation programs and equity-based compensation programs for the Designated Officers, with a view to recruiting and retaining superior talent.
6. Oversee the Corporation's executive compensation and employee benefit plans and programs as provided under such plans and programs. Recommend amendments to existing plans and introduction of new plans to the Board.
7. Oversee selection of outside consultants to review the Company's executive compensation program as appropriate; meet privately with such consultants without management present if desired; and retain independent outside consultants on behalf of the Board as deemed necessary.
8. Prepare and issue the Compensation Committee Report for inclusion in the Company's Proxy Statement for the Company's Annual Meeting of Shareholders.
9. Make reports to the Board of Directors on a regular basis and assume such other duties and responsibilities as may be delegated by the Board of Directors.
10. Annually evaluate its own performance.
11. Review and reassess the adequacy of the Compensation Committee Charter on an annual basis, or more frequently as needs dictate, and recommend to the Governance and Nominating Committee and/or Board of Directors any revisions considered appropriate.