

# H&R BLOCK, INC.

## CHARTER OF THE GOVERNANCE AND NOMINATING COMMITTEE

(as amended and restated March 10, 2004)

### ROLE OF THE GOVERNANCE AND NOMINATING COMMITTEE

The Governance and Nominating Committee is a standing Committee of the Board of Directors constituted to (i) identify individuals qualified to become members of the Board of Directors, consistent with criteria approved by the Board, (ii) to select (or recommend that the Board of Directors select) the director nominees for the Company's next annual meeting of shareholders, (iii) develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company, and (iv) oversee the evaluation of the Board of Directors.

### COMMITTEE COMPOSITION

The Governance and Nominating Committee shall consist of at least three directors, all of whom (i) have no employment or other material relationship to the Company that may interfere with the exercise of their judgment independent from management and (ii) meet the independence requirements of the New York Stock Exchange.

### MEETINGS

The Governance and Nominating Committee shall hold at least one regular meeting annually, and shall meet more frequently as deemed necessary to fulfill the responsibilities prescribed in this Charter or by the Board of Directors. The Chairman of the Governance and Nominating Committee may call special meetings of the Committee.

### COMMITTEE AUTHORITY AND RESPONSIBILITIES

The Governance and Nominating Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates, including the sole authority to approve such search firm's fees and other retention terms. The Governance and Nominating 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 specific responsibilities of the Governance and Nominating Committee shall include:

- a. Developing and recommending to the Board of Directors policies and processes designed to provide for effective and efficient governance, including (without limitation): policies for evaluation of the Board; election and re-election of Board members; board orientation and education; and succession planning for the Chairman of the Board and Board committee chairpersons.
- b. Reviewing and recommending to the Board of Directors matters relating to the

composition, structure and policies of the Board of Directors and the desired criteria to be considered in selecting director nominees. At minimum, such criteria shall require that a director nominee possess such competencies, expertise and knowledge that enables the Board of Directors as a whole to possess the expertise necessary to perform its responsibilities in an efficient and effective manner.

- c. Identifying potential directors, receiving recommendations regarding potential nominees for election as director, reviewing qualifications of identified or recommended candidates, recommending director nominees to the full Board of Directors, and helping recruit new directors.
- d. Recommending to the Board of Directors persons to be named directors emeriti.
- e. Developing or causing to be developed orientation and other educational programs for directors.
- f. Reviewing and recommending for approval by the Board of Directors the committees that shall constitute the standing committees of the Board of Directors and recommending on an annual basis the directors to serve on and chair such standing committees.
- g. Reviewing and recommending for approval by the Board of Directors charters for each of the standing committees of the Board of Directors, including amendments thereto as the Committee may deem necessary from time to time.
- h. Reviewing and recommending on a bi-annual basis (or more frequently as necessary) for approval by the Board of Directors the appointment of the Presiding Director of the Board of Directors, which director shall be a non-employee director and shall not serve as Presiding Director for more than two consecutive years unless the Board of Directors determines that re-appointment of the Presiding Director is in the best interest of the Company.
- i. Reviewing and recommending policies and procedures pertaining to the conduct of meetings of the Board of Directors and its committees.
- j. Evaluating through surveys or other means and report to the Board of Directors its conclusions regarding overall effectiveness and performance of the Board of Directors.
- l. Monitoring and advising the Board of Directors with respect to the relationship of the Board of Directors with the Company's management and the delegation of authority to management.
- m. Reviewing matters of compensation, benefits and other forms of remuneration for non-employee directors and recommending to the full Board of Directors annual director fees, Board and committee meeting attendance fees, other compensation and benefits for non-employee directors, and any amendments to the Company's 1989 Stock Option Plan for Outside Directors or any successor plan thereto.

- n. Making reports to the Board of Directors on a regular basis.
- o. Reviewing the Governance and Nominating Committee Charter on an annual basis, or more frequently as necessary, and recommending to the Board of Directors any revisions considered appropriate.
- p. Annually reviewing its own performance.