JACKSON HEWITT TAX SERVICE INC.

BOARD OF DIRECTORS
CORPORATE GOVERNANCE GUIDELINES

(as amended and restated on July 17, 2008)

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of Jackson Hewitt Tax Service Inc. (the “Company”) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing long-term stockholder value. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-Laws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

I. Composition of Board of Directors

1. Size of Board. The Board believes that it should generally have no fewer than five and no more than nine members. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

2. Independent Directors. At least two-thirds of the Board will be comprised of directors who meet the criteria for independence required by the New York Stock Exchange, provided, that, less than two-thirds of the directors may be independent if such short-fall is the result of the death, resignation or retirement of an independent director (“Short-fall Period”). During any Short-fall Period, all future nominees to the Board, other than incumbent directors, will be independent. The Board will determine annually, based on all of the relevant facts and circumstances, whether each director satisfies the criteria for independence and must disclose each of these determinations in its filings. The Board may adopt and disclose categorical standards to assist it in making such determinations and may make a general disclosure if a director meets these standards. Any determination of independence for a director who does not meet these standards, however, must be specifically explained.

3. Board Membership Criteria. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. This assessment will include an examination of whether the individual is independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. When formulating its Board membership recommendations, the Corporate Governance Committee shall also consider advice and recommendations from others as it deems appropriate.

4. Director Service on other Public Company Boards.

   (a) Conflicts of Interest. Directors should advise the chair of the Corporate Governance Committee and the Chairman of the Board (unless the Chairman of the Board is also the chair of the Corporate Governance Committee in which case it shall be the chair of the Audit Committee) before accepting an invitation to serve on the board, the audit committee or the compensation committee of another company. If the Corporate Governance Committee determines a conflict of interest exists by serving on the board, the audit committee or the compensation committee of another company, the Director is expected to act in accordance with the Corporate Governance Committee's recommendation.

   (b) Limitations on Service on Other Public Company Boards.

      (i) Directors who also serve as Chief Executive Officers or in an equivalent position should not serve on more than two boards of public companies in addition to the Board.

      (ii) Directors should not serve on more than four boards of directors of public companies in addition to the Board.

      (iii) Audit Committee members shall not serve on the Audit Committees of more than three public companies, including the Company.

      (iv) Management Directors will not be permitted to serve on any outside public company boards unless such service is at the request of the Company to serve a Company business purpose.

      (v) Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the Director's service on the Board; provided, that, each Director in excess of these limits shall use reasonable efforts to reduce service to the limit set forth above as soon as reasonably practicable.

5. New Directors. Nominees for directors will be identified, screened and recommended by the Corporate Governance Committee in accordance with the policies and principles in its charter, and presented to the full Board.

6. Directors' Tenure, Retirement and Succession

   (a) Term Limits. The Board does not favor term limits for directors, but believes that it is important to monitor overall Board performance.

Therefore, the Corporate Governance Committee shall review each Director’s continuation on the Board every three years. This will allow each Director the opportunity to confirm his or her desire to continue as a member of the Board, and also allow the Corporate Governance Committee an opportunity to review director performance and suitability.

(b) Retirement Policy. No person shall be nominated by the Board to serve as a director after he or she has passed his or her 75th birthday, unless the Corporate Governance Committee has voted, on an annual basis, to waive or to continue to waive, the mandatory retirement age of such person as a director.

(c) Resignation Policy – Non-independent Directors. Non-independent directors shall resign from the Board upon their resignation, removal or retirement as an officer of the Company. The Corporate Governance Committee has discretion as to whether or not it should accept a tendered resignation.

(d) Advance Resignation to Address Majority Voting. Director nominees shall annually submit a contingent resignation in writing to the chair of the Corporate Governance Committee to address majority voting in director elections. The resignation shall become effective only if the Director fails to receive a sufficient number of votes for re-election at the Annual Meeting and the Board accepts the resignation.

(e) Directors Changing Their Present Job Responsibilities. Upon a change in a director's business position including, without limitation, retirement from the position on which a director's original nomination was based, the director must notify the Corporate Governance Committee, which shall review the appropriateness of the affected director remaining on the Board given the changed circumstances. While a change in position or retirement from a position does not mean that the director will be forced to leave the Board, the affected director is expected to act in accordance with the Corporate Governance Committee's recommendation following such review.

II. Conduct

1. Directors’ Duties. The basic responsibility of the directors is to exercise their business judgment in good faith to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of their fellow Directors and the Company’s officers, employees, outside advisors and independent auditors. The directors shall also be entitled to have the Company

purchase reasonable Directors and Officers liability insurance on their behalf and to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation and By-laws.

Directors are expected to attend Board meetings, meetings of committees on which they serve and meetings of stockholders absent exceptional cause, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board, committee and stockholder meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each Director's attendance at, and preparation for, Board meetings, stockholder meetings and meetings of committees on which such Director serves, shall be considered by the Corporate Governance Committee when recommending director nominees.

2. Board Meetings

(a) Selection of Agenda Items and Executive Sessions. The Chairman of the Board, in consultation with the Chief Executive Officer, should establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting. The non-employee directors will meet in regular executive sessions without any members of the Company's management present at least four times each year; at least one of these sessions will be held with only the independent Directors present. There may, but does not need to be, a single presiding director at all executive sessions; however the directors meeting in executive session shall have to formulate and disclose the manner by which a presiding director shall be selected for each executive session. If, however, one director is chosen to preside at all executive sessions, his or her name shall be disclosed in the annual proxy statement. The annual proxy statement shall also disclose how interested persons may communicate with any such person or the directors who meet in executive session as a group.

(b) Distribution of Materials. The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, any written materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

(c) Attendance of Non-Directors. The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of management personnel at Board meetings is at the discretion of the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

(d) Number of Meetings. The Board shall hold a minimum of four meetings per year.

(e) Strategic Plan Review. The Board shall review the Company’s long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

3. Share Ownership by Directors. The Board believes that the number of shares of the Company’s stock owned by each director is a personal decision and encourages stock ownership, provided, that at least 50% of Directors’ compensation shall consist of deferred stock units which must be held until some period following the termination of service as a Director.

4. Director Compensation. The Corporate Governance Committee, in accordance with the policies and principles set forth in its charter, will recommend the form and amount of director compensation. The Corporate Governance Committee will periodically review directors’ fees and other compensation, including how such compensation relates to director compensation for companies of comparable size and complexity. As part of such review, the Corporate Governance Committee also will consider the impact that excessive director compensation could potentially have on director independence. The Corporate Governance Committee's review will include an examination of both direct and indirect forms of compensation to the Company's directors, including charitable contributions to organizations in which a director is affiliated, and consulting or similar arrangements. Changes to director compensation will be proposed by the Corporate Governance Committee to the Board for its consideration.

5. Director Orientation and Continuing Director Education. The Corporate Governance Committee will maintain annual orientation programs for new directors and continuing education programs for all directors. All new directors must participate in the Company’s orientation program and all continuing directors are also invited to participate.

6. Assessing Board Performance. The Board in conjunction with the Corporate Governance Committee will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee will ask all directors to comment as to the Board's performance and will report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year. The Corporate Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

7. Access to Officers and Employees. Board members have complete and open access to the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, General Counsel and Chief Compliance Officer. Board members who wish to have access to other members of management or employees of the Company should coordinate such access through one of the foregoing.

8. Interaction with Third Parties. The Board believes that management should speak for the Company and that the Chairman of the Board should speak for the Board. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.

9. Board Authority. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

10. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Company's business.

III. Committee Issues

1. Board Committees. The Board will have at all times an Audit Committee, a Compensation Committee and a Corporate Governance Committee. A full description of the responsibilities of each of the committees is set forth in the charter for each committee. Each of these committees will consist solely of independent directors satisfying applicable legal, regulatory and stock exchange requirements. Committee members will be appointed by the Board upon

recommendation of the Corporate Governance Committee with consideration of the desires of individual directors.

The Board may, from time to time, establish or maintain additional committees as it deems necessary or appropriate.

2. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on each director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or chairs. The Board believes experience and continuity are more important than rotation. Committee members and chairs may be rotated in response to changes in the membership of the Board and in all cases should be rotated only if rotation is likely to increase committee performance.

3. Committee Charters. Each committee shall have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance and report the results of this evaluation to the Board.

4. Frequency and Length of Committee Meetings. The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meeting consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the members of the committee and appropriate members of management, will develop the committee's agenda. At the beginning of the year, each committee will identify agenda subjects to be discussed during the year (to the degree these can be foreseen). The chair will report to the Board on each committee's actions. The schedule for each committee will be furnished to all Directors.

IV. Chief Executive Officer Evaluation and Services

The Board should set policies and principles for Chief Executive Officer selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Board also shall establish policies and principles for the long-term succession to the position of the Chief Executive Officer. The Corporate Governance Committee shall not assume the foregoing duties unless directed by the Board.

The Compensation Committee will conduct an annual review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and set the Chief Executive Officer's compensation level based on this evaluation.

V. Review

The Corporate Governance Committee will review these guidelines and may make recommendations to the Board for appropriate modifications from time to time.