

**H&R BLOCK, INC.****CORPORATE GOVERNANCE GUIDELINES**

(as of May 15, 2017)

**I. PURPOSE OF THE CORPORATE GOVERNANCE GUIDELINES**

A. The Board of Directors (the “Board”) of H&R Block, Inc. (the “Company”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in exercising its responsibilities. The Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board level and management level, with a view to enhancing shareholder value over the long term. The Guidelines also assure that the Board will have the necessary authority and practices in place to review and evaluate the Company’s strategy and business operations as needed and to make decisions that are independent of the Company’s management. The Guidelines are subject to modification from time to time as the Board may find necessary or advisable.

**II. BOARD COMPOSITION**

A. Board Size. Consistent with the Company’s Articles of Incorporation and its bylaws, the Board shall have not less than seven nor more than twelve directors, with the exact number to be determined by a resolution adopted by the Board in its discretion. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability.

B. Selection of Board Members. The entire Board is responsible for nominating members for election to the Board by shareholders and for filling vacancies on the Board that may occur between annual meetings of shareholders. The Governance and Nominating Committee is responsible for identifying, screening and recommending candidates to the entire Board for Board membership.

C. Board Membership Criteria. The Governance and Nominating Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual candidates for initial membership on the Board and for nomination or re-nomination at the annual meeting of shareholders, the Board takes into account many factors, including without limitation general understanding of various business disciplines (e.g., marketing, finance, information technology), the Company’s business environment, educational and professional background, analytical ability, willingness to devote adequate time to Board duties and independence from the Company. The Board evaluates each individual in the context of the Board as a whole with the objective of retaining a group with diverse perspectives and relevant experience that can best perpetuate the Company’s success and represent shareholder

interests through sound judgment, all in the context of the Board's assessment of its needs at that point in time.

D. Independent Directors. Independent directors shall constitute a substantial majority of the Board. The Board is responsible for determining on an annual basis whether each director qualifies as an "independent director" pursuant to New York Stock Exchange listing standards.

E. Director Orientation and Continuing Education. The Board believes that director orientation is essential to enabling valuable director participation and Board decision making. To that end, the Board's Governance and Nominating Committee is responsible for developing or causing to be developed an orientation program for new Board members designed to familiarize the new Board member with the Company's business operations, strategy and objectives, financial structure and corporate governance principles, as well as the role of the Board and its responsibilities and the structure of the Board and its committees. In addition, the Board has adopted a Continuing Education Policy pursuant to which directors are encouraged to attend director education programs. The Board also has regular educational opportunities during the course of Board meetings at which business unit leaders, support function leaders and outside subject matter experts present information regarding the Company's business operations, strategies and objectives and significant financial, accounting and risk management issues.

F. Resignation Policy. The Board adheres to the following policies regarding the tenure of service of individual members of the Board:

1. A director shall tender his or her resignation from the Board for consideration by the Governance and Nominating Committee when his or her principal employment or major responsibilities materially change. The Governance and Nominating Committee will recommend to the Board the action, if any, to be taken with respect to the tendered resignation.

2. A director who is also an executive officer of the Company or an employee of the Company or any of its subsidiaries shall immediately tender his or her resignation from the Board for consideration by the Governance and Nominating Committee upon retirement or resignation as an executive officer of the Company or retirement or other termination of active employment with the Company or any of its subsidiaries. The Governance and Nominating Committee will recommend to the Board the action, if any, to be taken with respect to the tendered resignation.

G. Director Service on Other Boards. It is the Board's policy that directors should not serve on more than three other boards of public companies in addition to the Company's Board, and must give the Board prior notice before serving on the board of another public company. A permanent Chief Executive Officer ("CEO") of the

Company should not serve on more than one other board of a public company in addition to the Company's Board and must obtain Board approval prior to serving on the board of any public company.

H. Selection of Chairman of the Board. The Chairman of the Board, or in the absence of a Chairman of the Board, the CEO or President, presides at meetings of the Board. The Board may elect the Chairman of the Board in accordance with the Company's bylaws and in the manner that it determines to be in the best interests of the Company's shareholders. It is the Board's policy that the Chairman of the Board be an independent director who has not served previously as an executive officer of the Company.

I. Duties of Chairman of the Board. Among other duties, the Chairman of the Board: presides at and chairs Board meetings and meetings of shareholders; establishes agendas for each Board meeting in consultation with the CEO and the chairs of applicable committees of the Board as necessary; assesses the quality, quantity and timeliness of the information provided to the Board by management to assist the Board in performing its oversight duties; acts as a liaison and facilitates communication between management and the Board and among Board members; provides leadership regarding issues of corporate governance, where appropriate; leads executive sessions of the Board; leads the Board in discussions concerning the President's or CEO's employment, performance evaluations and dismissal; communicates and reviews with the Company's President or CEO the Board's evaluation of the President or CEO; is available, as requested, in connection with the CEO to speak on behalf of the Board and the Company regarding corporate governance- and investor relations-related issues; and such other duties and responsibilities as requested by the Board.

### **III. BOARD MEETINGS; INVOLVEMENT OF SENIOR MANAGEMENT**

A. Board Meetings – Agenda. A minimum of four Board meetings will be held each year, with additional meetings being held as circumstances warrant and called in the manner provided in the Company's bylaws. Taking into account suggestions from other members of the Board, the Chairman of the Board sets the agenda for each Board meeting in consultation with the CEO and the chairs of applicable committees of the Board, as necessary, and distributes or causes to be distributed the agenda in advance to each director.

B. Advance Distribution of Materials. To the extent feasible, information and data that is relevant to the Board's understanding of matters to be discussed at an upcoming Board meeting is distributed in writing or electronically to all members of the Board approximately one week in advance. The advance information materials are kept as concise as possible while giving directors sufficient information to make informed decisions.

C. Access to Employees; Independent Advisors. The Board has access to Company employees to ensure that directors can ask all questions and glean all information necessary to fulfill their duties. With the approval of the Chairman of the Board, management invites Company personnel to Board meetings at which their presence and expertise could help the Board have a full understanding of matters being considered. In addition, the Board and its committees have access to, and authority to engage, independent advisors as they deem necessary.

D. Executive Sessions. The Board will hold executive sessions, including those held with and without members of management present, when it deems them to be appropriate or desirable. Each meeting of the Board generally includes an opportunity for an executive session at which only non-employee directors are present.

#### **IV. PERFORMANCE EVALUATION**

A. CEO Evaluation. The non-employee directors, led by the Compensation Committee, conduct a review at least annually of the performance of the CEO. The non-employee directors establish the evaluation process and determine the specific criteria by which the CEO is evaluated. The Chairman of the Board communicates and reviews with the CEO the results of the performance evaluation.

B. Succession Planning. The Board works with the CEO to plan for CEO succession, as well as to develop plans for interim succession for the CEO in the event of an unexpected occurrence.

C. Board Evaluation. The Board evaluates its performance on an annual basis through an evaluation process administered by the Governance and Nominating Committee.

#### **V. NON-EMPLOYEE DIRECTOR COMPENSATION**

A. Non-Employee Director Compensation Review. The Governance and Nominating Committee reviews annually how the Company's non-employee director compensation practices compare with those of other comparable public companies and reports its findings to the Board. The Board determines its non-employee director compensation practices after the Governance and Nominating Committee completes its review and makes its recommendation to the Board.

B. Director Stock Ownership. The Board believes that directors should have a significant financial stake in the Company so that their interests are aligned with those of the shareholders. To that end, the Board has formalized its expectation that each director should own equity of the Company consistent with the terms of the H&R Block Executive Officer and Non-Employee Director Stock Ownership Guidelines.

## VI. COMMITTEES

A. Number and Type of Committees. The Board currently has four standing committees: an Audit Committee, a Compensation Committee, a Finance Committee and a Governance and Nominating Committee. The Board may add new committees or remove existing committees as it deems advisable, subject to New York Stock Exchange listing standards. The composition, duties and responsibilities of each committee are set forth in a written charter approved by the Board, which can be obtained online at [www.hrblock.com](http://www.hrblock.com) or by writing to the Company's Corporate Secretary at One H&R Block Way, Kansas City, Missouri 64105. The responsibilities of the Company's current standing committees are summarized as follows:

1. Audit Committee. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities regarding (i) the integrity of the Company's financial statements prepared in accordance with generally accepted accounting principles and filed with its Annual Report on Form 10-K or Quarterly Reports on Form 10-Q, (ii) the Company's compliance with accounting, legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, and (iv) the performance of the Company's internal audit function, independent auditor, and such other roles for which the review of performance is delegated to the Committee by the Board. The Audit Committee has sole responsibility for appointing, retaining, discharging or replacing the independent auditor (subject to Board and shareholder ratification, as applicable), and the independent auditor, as well as the head of the Company's internal audit function, reports directly to the Audit Committee.

2. Compensation Committee. The Compensation Committee is responsible for (i) discharging the Board's responsibilities relating to the compensation of the Company's executives in general and its Principal Senior Officers (as such term is defined in the Compensation Committee Charter) in particular, and (ii) reporting on executive compensation in the Company's annual proxy statement in accordance with applicable rules and regulations. The Compensation Committee leads the performance evaluation of the CEO based on corporate goals and objectives and the CEO's individual performance objections and approves the CEO's compensation based on this evaluation. The Committee will keep the independent members of the Board apprised of its activities related to the review and approval of CEO compensation matters and will, from time to time, consult with such independent members on matters concerning CEO compensation.

3. Finance Committee. The Finance Committee is responsible for (i) assisting the Board in overseeing the financial affairs of the Company, (ii) reviewing and making recommendations to the Board regarding proposed acquisitions, dispositions, mergers, joint ventures, investments and similar transactions, and (iii) reviewing and reporting to the Board, as appropriate,

regarding the financial implications of the Company's capital structure and allocation, financial policies, goals and budgets in light of the Company's mission, vision, values and strategic goals.

4. Governance and Nominating Committee. The Governance and Nominating Committee is responsible for corporate governance matters such as (i) identifying individuals qualified to serve as members of the Board, consistent with criteria approved by the Board, (ii) recommending to the Board the director nominees for the Company's next annual meeting of shareholders, (iii) developing and recommending to the Board a set of corporate governance principles applicable to the Company, (iv) overseeing the process for the Board's annual self-evaluation, and (v) reviewing, and making recommendations regarding, non-employee director compensation.

B. Composition of Committees; Committee Chairpersons. Each of the Audit, Compensation, and Governance and Nominating committees consists solely of independent directors, and the Finance Committee may consist of employee and non-employee members of the Board. The Board is responsible for appointing committee members and committee chairpersons, pursuant to recommendations made by the Governance and Nominating Committee and applicable laws and rules, taking into account any independence requirements that may pertain to specific committees.

## VII. OTHER GOVERNANCE PRACTICES

A. Shareholder Vote on Executive Compensation. It is the Company's recommended practice to present at the annual meeting of shareholders a resolution calling for an advisory vote on overall executive compensation programs, including the linkage of overall pay to performance.

B. Communication with Shareholders. The Board welcomes communications from the Company's shareholders, and it is the policy of the Company to facilitate communication from shareholders. The Board generally believes it is in the Company's best interests that designated members of management speak on behalf of the Company. Shareholders and other interested parties wishing to communicate with the Board, non-employee directors, or with an individual Board member concerning the Company may do so by writing to the Board, to the non-employee directors, or to a particular Board member, and mailing or emailing such correspondence to:

Corporate Secretary  
H&R Block, Inc.  
One H&R Block Way  
Kansas City, Missouri 64105  
corporatesecretary@hrblock.com

Please indicate on the envelope whether the communication is from a shareholder or other interested party. The Board has instructed the Corporate Secretary and other relevant members of management to examine incoming communications and forward to the Board or individual directors as appropriate, communication he or she deems relevant to the Board's roles and responsibilities. The Board has requested that certain types of communications not be forwarded, and redirected if appropriate, such as: spam, business solicitations or advertisements, resumes or employment inquiries, service complaints or inquiries, surveys, or any threatening or hostile materials.

C. The Chairman of the Board may, from time to time, make arrangements for directors to be available for consultation and direct communication with shareholders.

D. Compensation Recoveries in Cases of Financial Restatement. In the event of a restatement to the Company's financial results, the Board has the authority to seek reimbursement of any portion of performance-based or incentive compensation paid, vested or awarded in any previous year that is greater than would have been paid or awarded if calculated based on the restated financial results.

E. Corporate Ethics. The Company maintains a comprehensive ethics and compliance program that consists of several key elements, including the H&R Block Code of Business Ethics and Conduct ("Code of Ethics"), and is overseen by a Chief Ethics Officer that is appointed by the Audit Committee. All employees and members of the Board are required to comply with the Code of Ethics. The Code of Ethics can be obtained online at [www.hrblock.com](http://www.hrblock.com) or by writing to the Company's Corporate Secretary at One H&R Block Way, Kansas City, Missouri 64105. The Audit Committee regularly reviews the Company's ethics and compliance program, which includes regular reports from the Chief Ethics Officer.

F. Confidentiality. Each director has an obligation to keep confidential and not disclose to any person nonpublic information that relates to the Company's business and not use such information for his or her own personal benefit or the benefit of persons or entities outside of the Company, except where the disclosure of such information is authorized by the Board or required by law. Confidential information includes, but is not limited to, information regarding the strategy, business, finances and operations of the Company (or any of the Company's suppliers, customers or other constituents), minutes, reports and materials of the Board and its committees, other documents identified as confidential by the Company, and the proceedings and deliberations of the Board and its committees.

G. Annual Review of Corporate Governance Guidelines and Charters. The Board will review these Guidelines and all committee charters annually or more often as needs dictate. The Board may modify, suspend or rescind all or part of these Guidelines and the committee charters as it considers appropriate. These Guidelines

and the committee charters can be obtained online at [www.hrblock.com](http://www.hrblock.com) or by writing to the Company's Corporate Secretary at One H&R Block Way, Kansas City, Missouri 64105.