
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2022
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-06089

H&R Block, Inc.

(Exact name of registrant as specified in its charter)

Missouri

(State or other jurisdiction of
incorporation or organization)

44-0607856

(I.R.S. Employer
Identification No.)

One H&R Block Way, Kansas City, Missouri 64105

(Address of principal executive offices, including zip code)

(816) 854-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	HRB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares outstanding of the registrant's Common Stock, without par value, at the close of business on April 29, 2022: 159,594,159 shares.

Form 10-Q for the Period ended March 31, 2022**Table of Contents****PART I**

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(unaudited, in 000s, except
per share amounts)

	Three months ended March 31,		Nine months ended March 31,	
	2022	2021	2022	2021
REVENUES:				
Service revenues	\$ 1,841,122	\$ 1,763,693	\$ 2,151,824	\$ 2,262,663
Royalty, product and other revenues	220,635	219,871	261,373	280,212
	2,061,757	1,983,564	2,413,197	2,542,875
OPERATING EXPENSES:				
Costs of revenues	831,455	795,494	1,362,310	1,350,730
Selling, general and administrative	344,937	336,833	617,594	621,209
Total operating expenses	1,176,392	1,132,327	1,979,904	1,971,939
Other income (expense), net	238	449	1,989	3,491
Interest expense on borrowings	(23,746)	(22,471)	(69,661)	(78,657)
Income from continuing operations before income taxes	861,857	829,215	365,621	495,770
Income taxes	186,884	69,543	29,666	50,997
Net income from continuing operations	674,973	759,672	335,955	444,773
Net loss from discontinued operations, net of tax benefits of \$539, \$793, \$1,495 and \$3,317	(1,796)	(1,425)	(4,984)	(4,533)
NET INCOME	\$ 673,177	\$ 758,247	\$ 330,971	\$ 440,240
BASIC EARNINGS PER SHARE:				
Continuing operations	\$ 4.13	\$ 4.15	\$ 1.95	\$ 2.38
Discontinued operations	(0.01)	(0.01)	(0.03)	(0.03)
Consolidated	\$ 4.12	\$ 4.14	\$ 1.92	\$ 2.35
DILUTED EARNINGS PER SHARE:				
Continuing operations	\$ 4.06	\$ 4.09	\$ 1.92	\$ 2.35
Discontinued operations	(0.01)	(0.01)	(0.03)	(0.02)
Consolidated	\$ 4.05	\$ 4.08	\$ 1.89	\$ 2.33
DIVIDENDS DECLARED PER SHARE	\$ 0.27	\$ 0.26	\$ 0.81	\$ 0.78
COMPREHENSIVE INCOME:				
Net income	\$ 673,177	\$ 758,247	\$ 330,971	\$ 440,240
Change in foreign currency translation adjustments	5,595	3,955	(3,926)	34,753
Other comprehensive income (loss)	5,595	3,955	(3,926)	34,753
Comprehensive income	\$ 678,772	\$ 762,202	\$ 327,045	\$ 474,993

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(unaudited, in 000s, except share and per share amounts)

As of	March 31, 2022		June 30, 2021	
ASSETS				
Cash and cash equivalents	\$	1,041,740	\$	1,434,381
Cash and cash equivalents - restricted		135,314		149,783
Receivables, less allowance for credit losses of \$61,512 and \$77,518		261,602		88,932
Income taxes receivable		340,355		330,872
Prepaid expenses and other current assets		89,025		76,414
Total current assets		1,868,036		2,080,382
Property and equipment, at cost, less accumulated depreciation and amortization of \$881,841 and \$842,861		133,036		139,276
Operating lease right of use assets		390,758		445,847
Intangible assets, net		322,836		351,093
Goodwill		764,428		754,521
Deferred tax assets and income taxes receivable		236,792		181,996
Other noncurrent assets		65,241		61,273
Total assets	\$	3,781,127	\$	4,014,388
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES:				
Accounts payable and accrued expenses	\$	225,708	\$	164,269
Accrued salaries, wages and payroll taxes		227,075		168,989
Accrued income taxes and reserves for uncertain tax positions		337,363		238,863
Current portion of long-term debt		499,395		—
Operating lease liabilities		187,263		214,190
Deferred revenue and other current liabilities		216,073		196,175
Total current liabilities		1,692,877		982,486
Long-term debt		1,486,530		1,983,719
Deferred tax liabilities and reserves for uncertain tax positions		218,461		301,658
Operating lease liabilities		210,866		244,932
Deferred revenue and other noncurrent liabilities		127,537		113,535
Total liabilities		3,736,271		3,626,330
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY:				
Common stock, no par, stated value \$0.01 per share, 800,000,000 shares authorized, shares issued of 193,571,309 and 216,655,616		1,936		2,167
Additional paid-in capital		767,869		779,465
Accumulated other comprehensive income (loss)		(3,838)		88
Retained earnings (deficit)		(56,790)		286,694
Less treasury shares, at cost, of 33,978,937 and 34,842,125		(664,321)		(680,356)
Total stockholders' equity		44,856		388,058
Total liabilities and stockholders' equity	\$	3,781,127	\$	4,014,388

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in 000s)

Nine months ended March 31,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 330,971	\$ 440,240
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	107,462	117,037
Provision	59,778	60,428
Deferred taxes	(85,122)	5,763
Stock-based compensation	19,988	21,232
Changes in assets and liabilities, net of acquisitions:		
Receivables	(233,362)	(336,868)
Prepaid expenses, other current and noncurrent assets	(16,525)	(37,054)
Accounts payable, accrued expenses, salaries, wages and payroll taxes	122,112	257,034
Deferred revenue, other current and noncurrent liabilities	36,960	30,783
Income tax receivables, accrued income taxes and income tax reserves	36,244	(52,516)
Other, net	(5,378)	(4,723)
Net cash provided by operating activities	373,128	501,356
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(52,718)	(44,220)
Payments made for business acquisitions, net of cash acquired	(25,465)	(15,495)
Franchise loans funded	(18,468)	(26,745)
Payments from franchisees	17,714	28,477
Other, net	7,831	7,969
Net cash used in investing activities	(71,106)	(50,014)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of line of credit borrowings	(705,000)	(3,275,000)
Proceeds from line of credit borrowings	705,000	1,275,000
Repayments of long-term debt	—	(650,000)
Proceeds from issuance of long-term debt	—	647,965
Dividends paid	(143,435)	(147,887)
Repurchase of common stock, including shares surrendered	(555,247)	(188,892)
Proceeds from exercise of stock options	4,605	2,228
Other, net	(13,389)	(19,680)
Net cash used in financing activities	(707,466)	(2,356,266)
Effects of exchange rate changes on cash	(1,666)	10,370
Net decrease in cash and cash equivalents, including restricted balances	(407,110)	(1,894,554)
Cash, cash equivalents and restricted cash, beginning of period	1,584,164	2,769,947
Cash, cash equivalents and restricted cash, end of period	\$ 1,177,054	\$ 875,393
SUPPLEMENTARY CASH FLOW DATA:		
Income taxes paid, net of refunds received	\$ 76,894	\$ 100,118
Interest paid on borrowings	58,009	77,398
Accrued additions to property and equipment	1,336	977
New operating right of use assets and related lease liabilities	126,726	94,260
Accrued dividends payable to common shareholders	43,041	47,181

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(amounts in 000s, except per share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss) ⁽¹⁾	Retained Earnings (Deficit)	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balances as of July 1, 2021	216,656	\$ 2,167	\$ 779,465	\$ 88	\$ 286,694	(34,842)	\$ (680,356)	\$ 388,058
Net loss	—	—	—	—	(151,601)	—	—	(151,601)
Other comprehensive loss	—	—	—	(11,177)	—	—	—	(11,177)
Stock-based compensation	—	—	5,627	—	—	—	—	5,627
Stock-based awards exercised or vested	—	—	(10,328)	—	(291)	705	13,765	3,146
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(205)	(4,817)	(4,817)
Repurchase and retirement of common shares	(6,802)	(68)	(4,081)	—	(161,619)	—	—	(165,768)
Cash dividends declared - \$0.27 per share	—	—	—	—	(47,940)	—	—	(47,940)
Balances as of September 30, 2021	209,854	\$ 2,099	\$ 770,683	\$ (11,089)	\$ (74,757)	(34,342)	\$ (671,408)	\$ 15,528
Net loss	—	—	—	—	(190,605)	—	—	(190,605)
Other comprehensive income	—	—	—	1,656	—	—	—	1,656
Stock-based compensation	—	—	5,640	—	—	—	—	5,640
Stock-based awards exercised or vested	—	—	(1,709)	—	(219)	122	2,400	472
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(2)	(52)	(52)
Repurchase and retirement of common shares	(6,589)	(66)	(3,953)	—	(154,778)	—	—	(158,797)
Cash dividends declared - \$0.27 per share	—	—	—	—	(46,497)	—	—	(46,497)
Balances as of December 31, 2021	203,265	\$ 2,033	\$ 770,661	\$ (9,433)	\$ (466,856)	(34,222)	\$ (669,060)	\$ (372,655)
Net income	—	—	—	—	673,177	—	—	673,177
Other comprehensive income	—	—	—	5,595	—	—	—	5,595
Stock-based compensation	—	—	5,619	—	—	—	—	5,619
Stock-based awards exercised or vested	—	—	(2,595)	—	(201)	244	4,771	1,975
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(1)	(32)	(32)
Repurchase and retirement of common shares	(9,694)	(97)	(5,816)	—	(219,868)	—	—	(225,781)
Cash dividends declared - \$0.27 per share	—	—	—	—	(43,042)	—	—	(43,042)
Balances as of March 31, 2022	193,571	\$ 1,936	\$ 767,869	\$ (3,838)	\$ (56,790)	(33,979)	\$ (664,321)	\$ 44,856

⁽¹⁾ The balance of our accumulated other comprehensive income (loss) consists of foreign currency translation adjustments.

⁽²⁾ Represents shares swapped or surrendered to us in connection with the vesting or exercise of stock-based awards.

See accompanying notes to consolidated financial statements.

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss) ⁽¹⁾	Retained Earnings (Deficit)	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balances as of July 1, 2020	228,207	\$ 2,282	\$ 772,943	\$ (39,781)	\$ (18,455)	(35,478)	\$ (692,187)	\$ 24,802
Net loss	—	—	—	—	(62,256)	—	—	(62,256)
Other comprehensive income	—	—	—	8,816	—	—	—	8,816
Stock-based compensation	—	—	7,259	—	—	—	—	7,259
Stock-based awards exercised or vested	—	—	(2,613)	—	(636)	215	4,176	927
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(42)	(596)	(596)
Repurchase and retirement of common shares	(5,957)	(60)	(3,514)	—	(84,884)	—	—	(88,458)
Cash dividends declared - \$0.26 per share	—	—	—	—	(50,154)	—	—	(50,154)
Balances as of September 30, 2020	222,250	\$ 2,222	\$ 774,075	\$ (30,965)	\$ (216,385)	(35,305)	\$ (688,607)	\$ (159,660)
Net loss	—	—	—	—	(255,751)	—	—	(255,751)
Other comprehensive income	—	—	—	21,982	—	—	—	21,982
Stock-based compensation	—	—	5,181	—	—	—	—	5,181
Stock-based awards exercised or vested	—	—	(134)	—	(220)	8	144	(210)
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(3)	(44)	(44)
Repurchase and retirement of common shares	(3,531)	(35)	(2,083)	—	(59,566)	—	—	(61,684)
Cash dividends declared - \$0.26 per share	—	—	—	—	(47,689)	—	—	(47,689)
Balances as of December 31, 2020	218,719	\$ 2,187	\$ 777,039	\$ (8,983)	\$ (579,611)	(35,300)	\$ (688,507)	\$ (497,875)
Net income	—	—	—	—	758,247	—	—	758,247
Other comprehensive income	—	—	—	3,955	—	—	—	3,955
Stock-based compensation	—	—	6,943	—	—	—	—	6,943
Stock-based awards exercised or vested	—	—	(1,071)	—	(214)	111	2,174	889
Acquisition of treasury shares ⁽²⁾	—	—	—	—	—	(2)	(39)	(39)
Repurchase and retirement of common shares	(2,063)	(20)	(1,219)	—	(36,832)	—	—	(38,071)
Cash dividends declared - \$0.26 per share	—	—	—	—	(47,181)	—	—	(47,181)
Balances as of March 31, 2021	216,656	\$ 2,167	\$ 781,692	\$ (5,028)	\$ 94,409	(35,191)	\$ (686,372)	\$ 186,868

⁽¹⁾ The balance of our accumulated other comprehensive income (loss) consists of foreign currency translation adjustments.

⁽²⁾ Represents shares swapped or surrendered to us in connection with the vesting or exercise of stock-based awards.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION – The consolidated balance sheets as of March 31, 2022 and June 30, 2021, the consolidated statements of operations and comprehensive income for the three and nine months ended March 31, 2022 and 2021, the consolidated statements of cash flows for the nine months ended March 31, 2022 and 2021, and the consolidated statements of stockholders' equity for the three and nine months ended March 31, 2022 and 2021 have been prepared by the Company, without audit. In the opinion of management, all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position, results of operations, and cash flows as of March 31, 2022 and 2021 and for all periods presented, have been made.

"H&R Block," "the Company," "we," "our," and "us" are used interchangeably to refer to H&R Block, Inc., to H&R Block, Inc. and its subsidiaries, or to H&R Block, Inc.'s operating subsidiaries, as appropriate to the context.

On June 9, 2021, the Board of Directors approved a change of the Company's fiscal year end from April 30 to June 30. The Company's 2022 fiscal year began on July 1, 2021 and will end on June 30, 2022. As a result of this change, the Company filed a Transition Report on Form 10-Q that included the financial information for the transition period from May 1, 2021 to June 30, 2021 (Transition Period). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) have been condensed or omitted. These consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in our April 30, 2021 Annual Report to Shareholders on Form 10-K and our June 30, 2021 Transition Report filed on Form 10-Q.

MANAGEMENT ESTIMATES – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates, assumptions and judgments are applied in the evaluation of contingent losses arising from our discontinued mortgage business, contingent losses associated with pending claims and litigation, reserves for uncertain tax positions, fair value of reporting units, and related matters. Estimates have been prepared based on the best information available as of each balance sheet date. As such, actual results could differ materially from those estimates.

SEASONALITY OF BUSINESS – Our operating revenues are seasonal in nature with peak revenues typically occurring in the months of February through April. Therefore, results for interim periods are not indicative of results to be expected for the full year.

On March 21, 2020, the federal tax filing deadline in the U.S. for individual 2019 tax returns was extended from April 15, 2020 to July 15, 2020, shifting a portion of revenues and expenses from that tax season into the nine months ended March 31, 2021. This extension impacted the typical seasonality of our business and the comparability of our financial results.

DISCONTINUED OPERATIONS – Our discontinued operations include the results of operations of Sand Canyon Corporation, previously known as Option One Mortgage Corporation (including its subsidiaries, collectively, SCC), which exited its mortgage business in fiscal year 2008. See [note 9](#) for additional information on litigation, claims, and other loss contingencies related to our discontinued operations.

NOTE 2: REVENUE RECOGNITION

The majority of our revenues are from our U.S. tax services business. The following table disaggregates our U.S. tax services revenues by major service line, with revenues from our international tax services businesses and from Wave included as separate lines:

	Three months ended March 31,		Nine months ended March 31,	
	2022	2021	2022	2021
(in 000s)				
Revenues:				
U.S. assisted tax preparation	\$ 1,392,142	\$ 1,290,892	\$ 1,456,594	\$ 1,532,079
U.S. royalties	158,786	150,117	169,548	178,126
U.S. DIY tax preparation	175,184	181,294	188,455	234,871
International	65,232	62,869	151,464	148,282
Refund Transfers	132,223	134,799	134,665	141,309
Emerald Card®	50,660	73,647	103,748	96,045
Peace of Mind® Extended Service Plan	17,222	17,668	59,373	63,430
Tax Identity Shield®	9,078	8,643	19,431	22,446
Interest and fee income on Emerald Advance SM	30,535	38,247	43,438	52,812
Wave	20,111	16,082	58,745	44,656
Other	10,584	9,306	27,736	28,819
Total revenues	\$ 2,061,757	\$ 1,983,564	\$ 2,413,197	\$ 2,542,875

Changes in the balances of deferred revenue and wages for our Peace of Mind® Extended Service Plan (POM) are as follows:

	Deferred Revenue		Deferred Wages	
Nine months ended March 31,	2022	2021	2022	2021
(in 000s)				
POM				
Balances as of July 1,	\$ 172,759	\$ 167,827	\$ 17,867	\$ 18,707
Amounts deferred	80,801	87,175	9,006	8,712
Amounts recognized on previous deferrals	(69,075)	(73,683)	(6,786)	(8,068)
Balances as of March 31,	\$ 184,485	\$ 181,319	\$ 20,087	\$ 19,351

As of March 31, 2022, deferred revenue related to POM was \$184.5 million. We expect that \$101.2 million will be recognized over the next twelve months, while the remaining balance will be recognized over the following five years.

As of March 31, 2022 and 2021, Tax Identity Shield® (TIS) deferred revenue was \$37.4 million and \$38.2 million, respectively. Deferred revenue related to TIS was \$28.3 million and \$28.8 million as of June 30, 2021 and June 30, 2020, respectively. All deferred revenue related to TIS will be recognized by April 2023.

NOTE 3: EARNINGS PER SHARE AND STOCKHOLDERS' EQUITY

EARNINGS PER SHARE – Basic and diluted earnings (loss) per share is computed using the two-class method. The two-class method is an earnings allocation formula that determines net income per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. Per share amounts are computed by dividing net income (loss) from continuing operations attributable to common shareholders by the weighted average shares outstanding during each period. Diluted earnings per share excludes the impact of shares of common stock issuable upon the lapse of certain restrictions or the exercise of options to purchase 0.3 million and 0.6 million shares for the three and nine months ended March 31, 2022, respectively, and 0.6 million and 0.9 million shares for the three and nine months ended March 31, 2021, respectively, as the effect would be antidilutive.

The computations of basic and diluted earnings per share from continuing operations are as follows:

	(in 000s, except per share amounts)			
	Three months ended March 31,		Nine months ended March 31,	
	2022	2021	2022	2021
Net income from continuing operations attributable to shareholders	\$ 674,973	\$ 759,672	\$ 335,955	\$ 444,773
Amounts allocated to participating securities	(3,061)	(3,374)	(1,543)	(1,908)
Net income from continuing operations attributable to common shareholders	\$ 671,912	\$ 756,298	\$ 334,412	\$ 442,865
Basic weighted average common shares	162,777	182,204	171,481	186,162
Potential dilutive shares	2,835	2,701	2,661	1,971
Dilutive weighted average common shares	165,612	184,905	174,142	188,133
Earnings per share from continuing operations attributable to common shareholders:				
Basic	\$ 4.13	\$ 4.15	\$ 1.95	\$ 2.38
Diluted	4.06	4.09	1.92	2.35

The decrease in the weighted average shares outstanding is due to share repurchases completed in the current and prior fiscal years.

STOCK-BASED COMPENSATION – During the nine months ended March 31, 2022, we granted 1.6 million shares under our stock-based compensation plan. We granted awards of 0.7 million shares under our stock-based compensation plans during the nine months ended March 31, 2021. The increase in shares granted compared to the prior year is a result of the change in timing of grants due to the change in our fiscal year. Stock-based compensation expense of our continuing operations totaled \$6.8 million and \$20.0 million for the three and nine months ended March 31, 2022, respectively, and \$7.8 million and \$21.2 million for the three and nine months ended March 31, 2021, respectively. As of March 31, 2022, unrecognized compensation cost for stock options totaled \$0.5 million, and for nonvested shares and units totaled \$44.9 million.

NOTE 4: RECEIVABLES

Receivables, net of their related allowance, consist of the following:

As of	(in 000s)			
	March 31, 2022		June 30, 2021	
	Short-term	Long-term	Short-term	Long-term
Loans to franchisees	\$ 14,499	\$ 26,411	\$ 9,497	\$ 28,026
Receivables for U.S. assisted and DIY tax preparation and related fees	120,483	3,215	41,900	3,793
H&R Block Instant Refund™ receivables	38,213	1,547	2,357	159
H&R Block Emerald Advance® lines of credit	8,510	12,775	8,248	8,089
Software receivables from retailers	9,126	—	2,910	—
Royalties and other receivables from franchisees	48,562	98	6,167	178
Wave payment processing receivables	1,879	—	2,187	—
Other	20,330	1,212	15,666	1,350
Total	\$ 261,602	\$ 45,258	\$ 88,932	\$ 41,595

Balances presented above as short-term are included in receivables, while the long-term portions are included in other noncurrent assets in the consolidated balance sheets.

LOANS TO FRANCHISEES – Franchisee loan balances consist of term loans made primarily to finance the purchase of franchises and revolving lines of credit primarily for the purpose of funding working capital needs. As of March 31, 2022 and June 30, 2021, loans with a principal balance more than 90 days past due, or on non-accrual status, are not material.

H&R BLOCK INSTANT REFUND™ PROGRAM – H&R Block Instant Refund™ amounts are generally received from the Canada Revenue Agency within 60 days of filing the client's return, with the remaining balance collectible from the client.

We review the credit quality of our Instant Refund receivables based on pools, which are segregated by the tax return year of origination, with older years being deemed more unlikely to be repaid. We establish an allowance for doubtful accounts at an amount that we believe represents the net realizable value. In December of each year we charge-off the receivables to an amount we believe represents the net realizable value.

Balances and amounts on non-accrual status and classified as impaired, or more than 60 days past due, by tax return year of origination, as of March 31, 2022 are as follows:

Tax return year of origination:	(in 000s)	
	Balance	Non-Accrual
2021	\$ 40,565	\$ —
2020 and prior	266	266
	40,831	\$ 266
Allowance	(1,071)	
Net balance	\$ 39,760	

H&R BLOCK EMERALD ADVANCE® LINES OF CREDIT – We review the credit quality of our purchased participation interests in Emerald AdvanceSM (EA) receivables based on pools, which are segregated by the fiscal year of origination, with older years being deemed more unlikely to be repaid. We establish an allowance for doubtful accounts at an amount that we believe represents the net realizable value. In December of each year we charge-off the receivables to an amount we believe represents the net realizable value.

Balances and amounts on non-accrual status and classified as impaired, or more than 60 days past due, by fiscal year of origination, as of March 31, 2022 are as follows:

Fiscal year of origination:	(in 000s)	
	Balance	Non-Accrual
2022	\$ 32,795	\$ 32,795
2021 and prior	777	777
Revolving loans	12,837	12,246
	46,409	\$ 45,818
Allowance	(25,124)	
Net balance	\$ 21,285	

ALLOWANCE FOR CREDIT LOSSES – Activity in the allowance for credit losses for our EA and all other short-term and long-term receivables for the nine months ended March 31, 2022 and 2021 is as follows:

	(in 000s)		
	EAs	All Other	Total
Balances as of July 1, 2021	\$ 27,704	\$ 60,272	\$ 87,976
Provision	13,797	45,981	59,778
Charge-offs, recoveries and other	(16,377)	(60,343)	(76,720)
Balances as of March 31, 2022	\$ 25,124	\$ 45,910	\$ 71,034
Balances as of July 1, 2020	\$ 32,034	\$ 52,166	\$ 84,200
Provision	13,411	47,017	60,428
Charge-offs, recoveries and other	(18,650)	(54,092)	(72,742)
Balances as of March 31, 2021	\$ 26,795	\$ 45,091	\$ 71,886

NOTE 5: GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill for the nine months ended March 31, 2022 are as follows:

	(in 000s)		
	Goodwill	Accumulated Impairment Losses	Net
Balances as of July 1, 2021	\$ 892,818	\$ (138,297)	\$ 754,521
Acquisitions	12,667	—	12,667
Disposals and foreign currency changes, net	(2,760)	—	(2,760)
Impairments	—	—	—
Balances as of March 31, 2022	\$ 902,725	\$ (138,297)	\$ 764,428

In conjunction with our annual impairment test, we tested goodwill for impairment during the quarter and did not identify any impairment.

Components of intangible assets are as follows:

	(in 000s)		
	Gross Carrying Amount	Accumulated Amortization	Net
As of March 31, 2022:			
Reacquired franchise rights	\$ 378,257	\$ (193,589)	\$ 184,668
Customer relationships	328,161	(272,947)	55,214
Internally-developed software	169,708	(134,990)	34,718
Noncompete agreements	41,710	(37,231)	4,479
Franchise agreements	19,201	(17,068)	2,133
Purchased technology	122,700	(85,281)	37,419
Trade name	5,800	(1,595)	4,205
	\$ 1,065,537	\$ (742,701)	\$ 322,836
As of June 30, 2021:			
Reacquired franchise rights	\$ 370,405	\$ (182,366)	\$ 188,039
Customer relationships	316,547	(255,294)	61,253
Internally-developed software	160,315	(119,460)	40,855
Noncompete agreements	41,228	(35,802)	5,426
Franchise agreements	19,201	(16,108)	3,093
Purchased technology	122,700	(74,913)	47,787
Trade name	5,800	(1,160)	4,640
	\$ 1,036,196	\$ (685,103)	\$ 351,093

We made payments to acquire businesses totaling \$25.5 million and \$15.5 million during the nine months ended March 31, 2022 and 2021, respectively. The amounts and weighted-average lives of intangible assets acquired during the nine months ended March 31, 2022, including amounts capitalized related to internally-developed software, are as follows:

	(dollars in 000s)	
	Amount	Weighted-Average Life (in years)
Internally-developed software	\$ 9,427	3
Customer relationships	13,029	5
Reacquired franchise rights	8,130	5
Noncompete agreements	496	5
Total	\$ 31,082	4

Amortization of intangible assets for the three and nine months ended March 31, 2022 was \$19.5 million and \$58.7 million, respectively, compared to \$20.7 million and \$62.1 million for the three and nine months ended March 31, 2021, respectively. Estimated amortization of intangible assets for fiscal years ending June 30, 2022, 2023, 2024, 2025 and 2026 is \$77.3 million, \$64.2 million, \$44.6 million, \$23.9 million and \$16.3 million, respectively.

NOTE 6: LONG-TERM DEBT

The components of long-term debt are as follows:

As of	(in 000s)	
	March 31, 2022	June 30, 2021
Senior Notes, 5.500%, due November 2022	\$ 500,000	\$ 500,000
Senior Notes, 5.250%, due October 2025	350,000	350,000
Senior Notes, 2.500%, due July 2028	500,000	500,000
Senior Notes, 3.875%, due August 2030	650,000	650,000
Debt issuance costs and discounts	(14,075)	(16,281)
Total long-term debt	1,985,925	1,983,719
Less: Current portion	(499,395)	—
Long-term portion	\$ 1,486,530	\$ 1,983,719
Estimated fair value of long-term debt	\$ 1,964,000	\$ 2,123,000

UNSECURED COMMITTED LINE OF CREDIT – Our unsecured committed line of credit (CLOC) provides for an unsecured senior revolving credit facility in the aggregate principal amount of \$1.5 billion, which includes a \$175.0 million sublimit for swingline loans and a \$50.0 million sublimit for standby letters of credit. We may request increases in the aggregate principal amount of the revolving credit facility of up to \$500.0 million, subject to obtaining commitments from lenders and meeting certain other conditions. The CLOC will mature on June 11, 2026, unless extended pursuant to the terms of the CLOC, at which time all outstanding amounts thereunder will be due and payable. Our CLOC includes an annual facility fee, which will vary depending on our then current credit ratings.

The CLOC is subject to various conditions, triggers, events or occurrences that could result in earlier termination and contains customary representations, warranties, covenants and events of default, including, without limitation: (1) a covenant requiring the Company to maintain a debt-to-EBITDA ratio, as defined by the CLOC agreement, calculated on a consolidated basis of no greater than (a) 3.50 to 1.00 as of the last day of each fiscal quarter ending on March 31, June 30, and September 30 of each year and (b) 4.50 to 1.00 as of the last day of each fiscal quarter ending on December 31 of each year; (2) a covenant requiring us to maintain an interest coverage ratio (EBITDA-to-interest expense) calculated on a consolidated basis of not less than 2.50 to 1.00 as of the last date of any fiscal quarter; and (3) covenants restricting our ability to incur certain additional debt, incur liens, merge or consolidate with other companies, sell or dispose of assets (including equity interests), liquidate or dissolve, engage in certain transactions with affiliates or enter into certain restrictive agreements. The CLOC includes provisions for an equity cure which could potentially allow us to independently cure certain defaults. Proceeds under the CLOC may be used for working capital needs or for other general corporate purposes. We were in compliance with these requirements as of March 31, 2022.

We had no outstanding balance under our CLOC and amounts available to borrow were limited by the debt-to-EBITDA covenant to approximately \$427.5 million as of March 31, 2022.

SUBSEQUENT EVENT – On April 1, 2022, we sent a notice of redemption to the trustee to fully redeem our outstanding \$500 million 5.500% Senior Notes originally due in November 2022 (2022 Senior Notes). The redemption price is equal to 100% of the outstanding principal amount of the 2022 Senior Notes, plus accrued and unpaid interest up to, but not including, the redemption date. The 2022 Senior Notes were redeemed on May 2, 2022.

NOTE 7: INCOME TAXES

We file a consolidated federal income tax return in the U.S. with the Internal Revenue Service (IRS) and file tax returns in various state, local, and foreign jurisdictions. Tax returns are typically examined and either settled upon completion of the examination or through the appeals process. On July 14, 2021 we filed a U.S. federal income tax form 1139 carryback claim to utilize net operating losses against income earned in tax years 2015 and 2016. Filing this carryback claim has opened our 2015 and 2016 tax years to examination. Consequently, our U.S. federal

income tax returns for 2015, 2016, 2018 and later years remain open for examination. Our U.S. federal income tax returns for 2017, 2014 and all years prior to 2014 are closed. With respect to state and local jurisdictions and countries outside of the U.S., we are typically subject to examination for three to six years after the income tax returns have been filed. Although the outcome of tax audits is always uncertain, we believe that adequate amounts of tax, interest, and penalties have been provided for in the accompanying consolidated financial statements for any adjustments that might be incurred due to federal, state, local or foreign audits.

We had gross unrecognized tax benefits of \$225.9 million as of March 31, 2022 and \$264.3 million as of June 30, 2021. The gross unrecognized tax benefits decreased \$38.4 million during the nine months ended March 31, 2022. The decrease is related to federal and state statute of limitation periods expiring in the current year. We believe it is reasonably possible that the balance of unrecognized tax benefits could decrease by approximately \$33.3 million within the next twelve months. The anticipated decrease is due to the expiration of statutes of limitations and anticipated closure of various state matters currently under examination. For such matters where a change in the balance of unrecognized tax benefits is not yet deemed reasonably possible, no estimate has been included.

Our effective tax rate for continuing operations, including the effects of discrete tax items, was 8.1% and 10.3% for the nine months ended March 31, 2022 and 2021, respectively. Discrete items decreased the effective tax rate by 14.4% and 2.3% for the nine months ended March 31, 2022 and 2021, respectively. A discrete income tax benefit of \$52.6 million and \$11.4 million were recorded in the nine months ended March 31, 2022 and 2021, respectively. The discrete tax benefit recorded in the current period primarily resulted from federal and state statute of limitations expirations. The discrete tax benefit recorded in the prior period primarily resulted from settlements with taxing authorities and statute of limitations expirations. The impact discrete tax items have on our tax rate through the third quarter are slightly exaggerated versus the impact discrete tax items have on the full fiscal year tax rate.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Assisted tax returns are covered by our 100% accuracy guarantee, whereby we will reimburse a client for penalties and interest attributable to an H&R Block error on a return. DIY tax returns are covered by our 100% accuracy guarantee, whereby we will reimburse a client up to a maximum of \$10,000 if our software makes an arithmetic error that results in payment of penalties and/or interest to the IRS that a client would otherwise not have been required to pay. Our liability related to estimated losses under the 100% accuracy guarantee was \$13.8 million and \$12.6 million as of March 31, 2022 and June 30, 2021, respectively. The short-term and long-term portions of this liability are included in deferred revenue and other liabilities in the consolidated balance sheets.

Liabilities related to acquisitions for (1) estimated contingent consideration based on expected financial performance of the acquired business and economic conditions at the time of acquisition and (2) estimated accrued compensation related to continued employment of key employees were \$13.9 million and \$17.3 million as of March 31, 2022 and June 30, 2021, respectively, with amounts recorded in deferred revenue and other liabilities. Should actual results differ from our estimates, future payments made will differ from the above estimate and any differences will be recorded in results from continuing operations.

We have contractual commitments to fund certain franchises with approved revolving lines of credit. Our total obligation under these lines of credit was \$25.5 million at March 31, 2022, and net of amounts drawn and outstanding, our remaining commitment to fund totaled \$16.1 million.

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide economic and other relief as a result of the COVID-19 pandemic. The CARES Act includes, among other items, provisions relating to refundable employee retention payroll tax credits. During the first quarter, we applied for employee retention credits related to calendar year 2020. Due to the complex nature of the employee retention credit computations, any benefits we may receive are uncertain and may significantly differ from our current estimates. We plan to record any benefit related to these credits upon both the receipt of the benefit and the resolution of the uncertainties, which could include the completion of any potential audit or examination, or the expiration of the related statute of limitations.

Emerald AdvanceSM lines of credit (EAs) are originated by MetaBank®, N.A. (Meta). We purchase a 90% participation interest, at par, in all EAs originated by Meta in accordance with our participation agreement. At

March 31, 2022, the principal balance of purchased participation interests for the current year totaled \$256.5 million.

Refund Advance loans are originated by Meta and offered to certain assisted U.S. tax preparation clients, based on client eligibility as determined by Meta. We pay fees primarily based on loan size and customer type. We have provided a guarantee up to \$18.0 million related to certain loans to clients prior to the IRS accepting electronic filing. At March 31, 2022, we accrued an estimated liability of \$0.6 million related to this guarantee, compared to \$2.4 million at March 31, 2021.

NOTE 9: LITIGATION AND OTHER RELATED CONTINGENCIES

We are a defendant in numerous litigation matters, arising both in the ordinary course of business and otherwise, including as described below. The matters described below are not all of the lawsuits to which we are subject. In some of the matters, very large or indeterminate amounts, including punitive damages, are sought. U.S. jurisdictions permit considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding reasonably possible verdicts in the jurisdiction for similar matters. We believe that the monetary relief which may be specified in a lawsuit or a claim bears little relevance to its merits or disposition value due to this variability in pleadings and our experience in litigating or resolving through settlement of numerous claims over an extended period of time.

The outcome of a litigation matter and the amount or range of potential loss at particular points in time may be difficult to ascertain. Among other things, uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

In addition to litigation matters, we are also subject to claims and other loss contingencies arising out of our business activities, including as described below.

We accrue liabilities for litigation, claims, including indemnification and contribution claims, and other related loss contingencies and any related settlements (each referred to, individually, as a "matter" and, collectively, as "matters") when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, we accrue the minimum amount in the range.

For such matters where a loss is believed to be reasonably possible, but not probable, or the loss cannot be reasonably estimated, no accrual has been made. It is possible that such matters could require us to pay damages or make other expenditures or accrue liabilities in amounts that could not be reasonably estimated as of March 31, 2022. While the potential future liabilities could be material in the particular quarterly or annual periods in which they are recorded, based on information currently known, we do not believe any such liabilities are likely to have a material adverse effect on our business and our consolidated financial position, results of operations, and cash flows. As of March 31, 2022 and June 30, 2021 our total accrued liabilities were \$1.7 million and \$1.6 million, respectively.

Our estimate of the aggregate range of reasonably possible losses includes (1) matters where a liability has been accrued and there is a reasonably possible loss in excess of the amount accrued for that liability, and (2) matters where a liability has not been accrued but we believe a loss is reasonably possible. This aggregate range only represents those losses as to which we are currently able to estimate a reasonably possible loss or range of loss. It does not represent our maximum loss exposure.

Matters for which we are not currently able to estimate the reasonably possible loss or range of loss are not included in this range. We are often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the reasonably possible loss or range of loss, such as precise information about the amount of damages or other remedies being asserted, the

defenses to the claims being asserted, discovery from other parties and investigation of factual allegations, rulings by courts on motions or appeals, analysis by experts, or the status or terms of any settlement negotiations.

The estimated range of reasonably possible loss is based upon currently available information and is subject to significant judgment and a variety of assumptions, as well as known and unknown uncertainties. The matters underlying the estimated range will change from time to time, and actual results may vary significantly from the current estimate. As of March 31, 2022, we believe the estimate of the aggregate range of reasonably possible losses in excess of amounts accrued, where the range of loss can be estimated, is not material.

At the end of each reporting period, we review relevant information with respect to litigation and other loss contingencies and update our accruals, disclosures, and estimates of reasonably possible loss or range of loss based on such reviews. Costs incurred with defending matters are expensed as incurred. Any receivable for insurance recoveries is recorded separately from the corresponding liability, and only if recovery is determined to be probable and reasonably estimable.

We believe we have meritorious defenses to the claims asserted in the various matters described in this note, and we intend to defend them vigorously. The amounts claimed in the matters are substantial, however, and there can be no assurances as to their outcomes. In the event of unfavorable outcomes, it could require modifications to our operations; in addition, the amounts that may be required to be paid to discharge or settle the matters could be substantial and could have a material adverse impact on our business and our consolidated financial position, results of operations, and cash flows.

LITIGATION, CLAIMS OR OTHER LOSS CONTINGENCIES PERTAINING TO CONTINUING OPERATIONS –

Free File Litigation. On May 6, 2019, the Los Angeles City Attorney filed a lawsuit on behalf of the People of the State of California in the Superior Court of California, County of Los Angeles (Case No. 19STCV15742). The case is styled *The People of the State of California v. HRB Digital LLC, et al.* The complaint alleges that H&R Block, Inc. and HRB Digital LLC engaged in unfair, fraudulent and deceptive business practices and acts in connection with the IRS Free File Program in violation of the California Unfair Competition Law, California Business and Professions Code §§17200 *et seq.* The complaint seeks injunctive relief, restitution of monies paid to H&R Block by persons in the State of California who were eligible to file under the IRS Free File Program for the time period starting four years prior to the date of the filing of the complaint, pre-judgment interest, civil penalties and costs. The City Attorney subsequently dismissed H&R Block, Inc. from the case and amended its complaint to add HRB Tax Group, Inc. We filed a motion to stay the case based on the primary jurisdiction doctrine, which was denied. A trial date is set for November 8, 2022. We have not concluded that a loss related to this matter is probable, nor have we accrued a liability related to this matter.

On September 26, 2019, a putative class action complaint was filed against H&R Block, Inc., HRB Tax Group, Inc., HRB Digital LLC and Free File, Inc. in the United States District Court for the Western District of Missouri (Case No. 4:19-cv-00788-GAF) styled *Swanson v. H&R Block, Inc., et al.* The plaintiff sought to represent both a nationwide class and a California subclass of all persons eligible for the IRS Free File Program who paid to use an H&R Block product to file an online tax return for the 2002 through 2018 tax filing years. The plaintiff generally alleged unlawful, unfair, fraudulent and deceptive business practices and acts in connection with the IRS Free File Program in violation of the California Consumers Legal Remedies Act, California Civil Code §§1750, *et seq.*, California False Advertising Law, California Business and Professions Code §§17500, *et seq.*, California Unfair Competition Law, California Business and Professions Code §§17200, *et seq.*, in addition to breach of contract and fraud. The plaintiff sought injunctive relief, disgorgement, compensatory damages, statutory damages, punitive damages, interest, attorneys' fees and costs. The court granted a motion to dismiss filed by defendant Free File, Inc. for lack of personal jurisdiction. The court subsequently granted our motion to compel arbitration and stayed the case pending the outcome of individual arbitration. The plaintiff filed a claim in arbitration, which was dismissed on February 7, 2022. The plaintiff's lawsuit was dismissed on March 2, 2022. We have not concluded that a loss related to this matter is probable, nor have we accrued a liability related to this matter.

We have also received and are responding to certain governmental inquiries relating to the IRS Free File Program.

LITIGATION, CLAIMS, INCLUDING INDEMNIFICATION AND CONTRIBUTION CLAIMS, OR OTHER LOSS CONTINGENCIES PERTAINING TO DISCONTINUED MORTGAGE OPERATIONS – Although SCC ceased its mortgage loan origination activities in December 2007 and sold its loan servicing business in April 2008, SCC or the Company has been, remains, and may in the future be, subject to litigation, claims, including indemnification and contribution claims, and other loss contingencies pertaining to SCC's mortgage business activities that occurred prior to such termination and sale. These lawsuits, claims, and other loss contingencies include actions by regulators, third parties seeking indemnification or contribution, including depositors, underwriters, and securitization trustees, individual plaintiffs, and cases in which plaintiffs seek to represent a class of others alleged to be similarly situated. Among other things, these lawsuits, claims, and contingencies allege or may allege discriminatory or unfair and deceptive loan origination and servicing (including debt collection, foreclosure, and eviction) practices, other common law torts, rights to indemnification or contribution, breach of contract, violations of securities laws, and violations of a variety of federal statutes, including the Truth in Lending Act (TILA), Equal Credit Opportunity Act, Fair Housing Act, Real Estate Settlement Procedures Act (RESPA), Home Ownership & Equity Protection Act (HOEPA), as well as similar state statutes. It is difficult to predict either the likelihood of new matters being initiated or the outcome of existing matters. In many of these matters it is not possible to estimate a reasonably possible loss or range of loss due to, among other things, the inherent uncertainties involved in these matters, some of which are beyond the Company's control, and the indeterminate damages sought in some of these matters.

Mortgage loans originated by SCC were sold either as whole loans to single third-party buyers, who generally securitized such loans, or in the form of residential mortgage-backed securities (RMBSs). In connection with the sale of loans and/or RMBSs, SCC made certain representations and warranties. Claims under these representations and warranties together with any settlement arrangements related to these losses are collectively referred to as "representation and warranty claims." The statute of limitations for a contractual claim to enforce a representation and warranty obligation is generally six years or such shorter limitations period that may apply under the law of a state where the economic injury occurred. On June 11, 2015, the New York Court of Appeals, New York's highest court, held in *ACE Securities Corp. v. DB Structured Products, Inc.*, that the six-year statute of limitations under New York law starts to run at the time the representations and warranties are made, not the date when the repurchase demand was denied. This decision applies to claims and lawsuits brought against SCC where New York law governs. New York law governs many, though not all, of the RMBS transactions into which SCC entered. However, this decision would not affect representation and warranty claims and lawsuits SCC has received or may receive, for example, where the statute of limitations has been tolled by agreement or a suit was timely filed.

In response to the statute of limitations rulings in the *ACE* case and similar rulings in other state and federal courts, parties seeking to pursue representation and warranty claims or lawsuits have sought, and may in the future seek, to distinguish certain aspects of the *ACE* decision, pursue alternate legal theories of recovery, or assert claims against other contractual parties such as securitization trustees. For example, a 2016 ruling by a New York intermediate appellate court, followed by the federal district court in the second Homeward case described below, allowed a counterparty to pursue litigation on additional loans in the same trust even though only some of the loans complied with the condition precedent of timely pre-suit notice and opportunity to cure or repurchase. Additionally, plaintiffs in litigation to which SCC is not party have alleged breaches of an independent contractual duty to provide notice of material breaches of representations and warranties and pursued separate claims to which, they argue, the statute of limitations ruling in the *ACE* case does not apply. The impact on SCC from alternative legal theories seeking to avoid or distinguish the *ACE* decision, or judicial limitations on the *ACE* decision, is unclear. SCC has not accrued liabilities for claims not subject to a tolling arrangement or not relating back to timely filed litigation.

On May 31, 2012, a lawsuit was filed by Homeward Residential, Inc. (Homeward) in the Supreme Court of the State of New York, County of New York, against SCC styled *Homeward Residential, Inc. v. Sand Canyon Corporation* (Index No. 651885/2012). SCC removed the case to the United States District Court for the Southern District of New York on June 28, 2012 (Case No. 12-cv-5067). The plaintiff, in its capacity as the master servicer for Option One Mortgage Loan Trust 2006-2 and for the benefit of the trustee and the certificate holders of such trust, asserted claims for breach of contract, anticipatory breach, indemnity, and declaratory judgment in connection with alleged losses incurred as a result of the breach of representations and warranties relating to SCC and to loans sold to the trust. The trust was originally collateralized with approximately 7,500 loans. The plaintiff sought specific

performance of alleged repurchase obligations or damages to compensate the trust and its certificate holders for alleged actual and anticipated losses, as well as a repurchase of all loans due to alleged misrepresentations by SCC as to itself and as to the loans' compliance with its underwriting standards and the value of underlying real estate. In response to a motion filed by SCC, the court dismissed the plaintiff's claims for breach of the duty to cure or repurchase, anticipatory breach, indemnity, and declaratory judgment. The case proceeded on the remaining claims. Representatives of a holder of certificates in the trust filed a motion to intervene to add H&R Block, Inc. to the lawsuit and assert claims against H&R Block, Inc. based on alter ego, corporate veil-piercing, and agency law. On February 12, 2018, the court denied the motion to intervene. Discovery in the case closed on September 30, 2019, with motions for summary judgment filed on December 6, 2019. On November 9, 2020, the court granted SCC's motion for summary judgment and dismissed Homeward's claims in their entirety as untimely under the applicable statute of limitations. Homeward filed an appeal to the Second Circuit Court of Appeals, which was denied on February 10, 2022. Homeward subsequently filed a petition for panel rehearing with the Second Circuit, which was denied on March 15, 2022. We have not concluded that a loss related to this matter is probable, nor have we accrued a liability related to this matter.

On September 28, 2012, a second lawsuit was filed by Homeward in the United States District Court for the Southern District of New York against SCC styled *Homeward Residential, Inc. v. Sand Canyon Corporation* (Case No. 12-cv-7319). The plaintiff, in its capacity as the master servicer for Option One Mortgage Loan Trust 2006-3 and for the benefit of the trustee and the certificate holders of such trust, asserted claims for breach of contract and indemnity in connection with losses allegedly incurred as a result of the breach of representations and warranties relating to 96 loans sold to the trust. The trust was originally collateralized with approximately 7,500 loans. The plaintiff sought specific performance of alleged repurchase obligations or damages to compensate the trust and its certificate holders for alleged actual and anticipated losses. In response to a motion filed by SCC, the court dismissed the plaintiff's claims for breach of the duty to cure or repurchase and for indemnification of its costs associated with the litigation. On September 30, 2016, the court granted a motion allowing the plaintiff to file a second amended complaint to include breach of contract claims with respect to 649 additional loans in the trust and to allow such claims with respect to other loans in the trust proven to be in material breach of SCC's representations and warranties. SCC filed a motion for reconsideration, followed by a motion for leave to appeal the ruling, both of which were denied. On October 6, 2016, the plaintiff filed its second amended complaint. In response to a motion filed by SCC, the court dismissed the plaintiff's claim for breach of one of the representations. The case proceeded on the remaining claims. Representatives of a holder of certificates in the trust filed a motion to intervene to add H&R Block, Inc. to the lawsuit and assert claims against H&R Block, Inc. based on alter ego, corporate veil-piercing, and agency law. On February 12, 2018, the court denied the motion to intervene. The settlement payments that were made in fiscal year 2018 for representation and warranty claims related to some of the loans in this case. Discovery in the case closed on September 30, 2019, with motions for summary judgment filed on December 6, 2019. On November 9, 2020, the court granted SCC's motion for summary judgment and dismissed Homeward's claims in their entirety as untimely under the applicable statute of limitations. Homeward filed an appeal to the Second Circuit Court of Appeals, which was denied on February 10, 2022. Homeward subsequently filed a petition for panel rehearing with the Second Circuit, which was denied on March 15, 2022. We have not concluded that a loss related to this matter is probable, nor have we accrued a liability related to this matter.

Parties, including underwriters, depositors, and securitization trustees, are, or have been, involved in multiple lawsuits, threatened lawsuits, and settlements related to securitization transactions in which SCC participated. A variety of claims are alleged in these matters, including violations of federal and state securities laws and common law fraud, based on alleged materially inaccurate or misleading disclosures, that originators, depositors, securitization trustees, or servicers breached their representations and warranties or otherwise failed to fulfill their obligations, or that securitization trustees violated statutory requirements by failing to properly protect the certificate holders' interests. SCC has received notices of claims for indemnification or potential indemnification obligations relating to such matters, including lawsuits or settlements to which underwriters, depositors, or securitization trustees are party. Additional lawsuits against the parties to the securitization transactions may be filed in the future, and SCC may receive additional notices of claims for indemnification, contribution or similar obligations with respect to existing or new lawsuits or settlements of such lawsuits or other claims. Certain of the notices received included, and future notices may include, a reservation of rights to assert claims for contribution, which are referred to herein as "contribution claims." Contribution claims may become operative if indemnification

is unavailable or insufficient to cover all of the losses and expenses involved. We have not concluded that a loss related to any of these indemnification or contribution claims is probable, nor have we accrued a liability related to any of these claims.

If the amount that SCC is ultimately required to pay with respect to claims and litigation related to its past sales and securitizations of mortgage loans, together with payment of SCC's related administration and legal expense, exceeds SCC's net assets, the creditors of SCC, other potential claimants, or a bankruptcy trustee if SCC were to file or be forced into bankruptcy, may attempt to assert claims against us for payment of SCC's obligations. Claimants may also attempt to assert claims against or seek payment directly from the Company even if SCC's assets exceed its liabilities. SCC's principal assets, as of March 31, 2022, total approximately \$265 million and consist of an intercompany note receivable. We believe our legal position is strong on any potential corporate veil-piercing arguments; however, if this position is challenged and not upheld, it could have a material adverse effect on our business and our consolidated financial position, results of operations, and cash flows.

OTHER – We are from time to time a party to litigation, claims and other loss contingencies not discussed herein arising out of our business operations. These matters may include actions by state attorneys general, other state regulators, federal regulators, individual plaintiffs, and cases in which plaintiffs seek to represent others who may be similarly situated.

While we cannot provide assurance that we will ultimately prevail in each instance, we believe the amount, if any, we are required to pay to discharge or settle these other matters will not have a material adverse impact on our business and our consolidated financial position, results of operations, and cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECENT DEVELOPMENTS

On December 20, 2021, we entered into a First Amendment to our August 2020 Program Management Agreement (PMA) with MetaBank®, N.A. (Meta), which among other things, extends the PMA through June 30, 2025, and adds SpruceSM accounts to the program.

In January 2022, we launched the SpruceSM mobile banking platform as a part of the Financial Products imperative of our previously-announced Block Horizons 2025 strategic plan. The SpruceSM solution, built by H&R Block with banking products powered by Meta, includes a spending account with a debit card, along with a connected savings account that allows for budgeting for specific goals.

On April 1, 2022, we sent a notice of redemption to the trustee to fully redeem our outstanding \$500 million 5.500% Senior Notes originally due in November 2022 (2022 Senior Notes). The redemption price is equal to 100% of the outstanding principal amount of the 2022 Senior Notes, plus accrued and unpaid interest up to, but not including, the redemption date. The 2022 Senior Notes were redeemed on May 2, 2022.

FINANCIAL OVERVIEW

On March 21, 2020, the federal tax filing deadline in the U.S. for individual 2019 tax returns was extended from April 15, 2020 to July 15, 2020, shifting a portion of revenues and expenses from that tax season into the nine months ended March 31, 2021. This extension impacted the typical seasonality of our business and the comparability of our financial results.

RESULTS OF OPERATIONS

Our subsidiaries provide assisted and DIY tax preparation solutions through multiple channels (including in-person, online and mobile applications, virtual, and desktop software) and distribute H&R Block-branded products and services, including those of our bank partner, to the general public primarily in the U.S., Canada and Australia. Tax returns are either prepared by H&R Block tax professionals (in company-owned or franchise offices, virtually or via an internet review) or prepared and filed by our clients through our DIY tax solutions. We also offer small business financial solutions through our company-owned and franchise offices and online through Wave. We report a single segment that includes all of our continuing operations.

U.S. Operating Statistics

Nine months ended March 31,	2022	2021 ⁽¹⁾	Change	% Change
Tax returns prepared: (in 000s) ⁽²⁾				
Company-owned operations	6,209	6,925	(716)	(10.3)%
Franchise operations	2,300	2,674	(374)	(14.0)%
Total assisted	8,509	9,599	(1,090)	(11.4)%
Desktop	1,043	1,405	(362)	(25.8)%
Online	4,457	5,459	(1,002)	(18.4)%
Total DIY	5,500	6,864	(1,364)	(19.9)%
Total U.S. Returns	14,009	16,463	(2,454)	(14.9)%
Net Average Charge: ⁽³⁾				
Company-owned operations	\$ 234.59	\$ 221.25	\$ 13.34	6.0 %
Franchise operations ⁽⁴⁾	\$ 229.64	\$ 210.56	\$ 19.08	9.1 %
Online	\$ 32.53	\$ 34.36	\$ (1.83)	(5.3)%

⁽¹⁾ Represents a partial 2019 individual tax filing season, which was extended until July 15, 2020.

⁽²⁾ An assisted tax return is defined as a current or prior year individual or business tax return that has been accepted by the client. A DIY online return is defined as a current year individual or business tax return that has been accepted by the client. A DIY desktop return is defined as a current year individual or business tax return that has been electronically submitted to the IRS.

⁽³⁾ Net average charge is calculated as total tax preparation fees divided by tax returns prepared.

⁽⁴⁾ Net average charge related to H&R Block Franchise operations represents tax preparation fees collected by H&R Block franchisees divided by returns prepared in franchise offices. H&R Block will recognize a portion of franchise revenues as franchise royalties based on the terms of franchise agreements.

We provide Net Average Charge as a key operating metric because we consider it an important supplemental measure useful to analysts, investors, and other interested parties as it provides insights into pricing and tax return mix relative to our customer base, which are significant drivers of revenue. Our definition of Net Average Charge may not be comparable to similarly titled measures of other companies.

RESULTS OF OPERATIONS

Consolidated – Financial Results		(in 000s, except per share amounts)			
Three months ended March 31,	2022	2021	\$ Change	% Change	
Revenues:					
U.S. assisted tax preparation	\$ 1,392,142	\$ 1,290,892	\$ 101,250	7.8 %	
U.S. royalties	158,786	150,117	8,669	5.8 %	
U.S. DIY tax preparation	175,184	181,294	(6,110)	(3.4)%	
International	65,232	62,869	2,363	3.8 %	
Refund Transfers	132,223	134,799	(2,576)	(1.9)%	
Emerald Card®	50,660	73,647	(22,987)	(31.2)%	
Peace of Mind® Extended Service Plan	17,222	17,668	(446)	(2.5)%	
Tax Identity Shield®	9,078	8,643	435	5.0 %	
Interest and fee income on Emerald Advance SM	30,535	38,247	(7,712)	(20.2)%	
Wave	20,111	16,082	4,029	25.1 %	
Other	10,584	9,306	1,278	13.7 %	
Total revenues	2,061,757	1,983,564	78,193	3.9 %	
Compensation and benefits:					
Field wages	435,345	409,741	(25,604)	(6.2)%	
Other wages	78,584	78,181	(403)	(0.5)%	
Benefits and other compensation	91,051	92,825	1,774	1.9 %	
	604,980	580,747	(24,233)	(4.2)%	
Occupancy	111,405	113,759	2,354	2.1 %	
Marketing and advertising	196,582	183,109	(13,473)	(7.4)%	
Depreciation and amortization	36,116	39,100	2,984	7.6 %	
Bad debt	45,051	46,066	1,015	2.2 %	
Other	182,258	169,546	(12,712)	(7.5)%	
Total operating expenses	1,176,392	1,132,327	(44,065)	(3.9)%	
Other income (expense), net	238	449	(211)	(47.0)%	
Interest expense on borrowings	(23,746)	(22,471)	(1,275)	(5.7)%	
Pretax income	861,857	829,215	32,642	3.9 %	
Income taxes	186,884	69,543	(117,341)	(168.7)%	
Net income from continuing operations	674,973	759,672	(84,699)	(11.1)%	
Net loss from discontinued operations	(1,796)	(1,425)	(371)	(26.0)%	
Net income	\$ 673,177	\$ 758,247	\$ (85,070)	(11.2)%	
DILUTED EARNINGS PER SHARE:					
Continuing operations	\$ 4.06	\$ 4.09	\$ (0.03)	(0.7)%	
Discontinued operations	(0.01)	(0.01)	—	— %	
Consolidated	\$ 4.05	\$ 4.08	\$ (0.03)	(0.7)%	
Adjusted diluted EPS ⁽¹⁾	\$ 4.11	\$ 4.11	\$ —	— %	
EBITDA ⁽¹⁾	\$ 921,719	\$ 890,786	\$ 30,933	3.5 %	

⁽¹⁾ All non-GAAP measures are results from continuing operations. See "[Non-GAAP Financial Information](#)" at the end of this item for a reconciliation of non-GAAP measures.

Three months ended March 31, 2022 compared to March 31, 2021

Revenues increased \$78.2 million, or 3.9%, from the prior year. Revenues for U.S. assisted tax preparation increased \$101.3 million, or 7.8%, largely due to a higher net average charge in the current year combined with higher tax return volumes. U.S. royalties revenues increased \$8.7 million, or 5.8%, due to an increase in tax preparation fees. U.S. DIY tax preparation revenues decreased \$6.1 million, or 3.4%, due to lower tax return volumes. Emerald Card® revenues decreased \$23.0 million, or 31.2%, due to lower card activity in the current

quarter as some stimulus payments were loaded on to Emerald Cards in the prior year. Interest and fees on Emerald Advances decreased \$7.7 million, or 20.2%, due to a decline in Emerald AdvancesSM in the current year. Wave revenues increased \$4.0 million, or 25.1%, due to higher small business payments processing volumes.

Total operating expenses increased \$44.1 million, or 3.9%, from the prior year. Field wages increased \$25.6 million, or 6.2%, due to higher hourly wage rates. Marketing expense increased \$13.5 million, or 7.4%, due to higher online advertising and agency fees. Depreciation and amortization expense decreased \$3.0 million, or 7.6%, due to lower amortization on acquired intangibles and depreciation on equipment.

Other expenses increased \$12.7 million, or 7.5%. The components of other expenses are as follows:

					(in 000s)
Three months ended March 31,	2022	2021	\$ Change	% Change	
Consulting and outsourced services	\$ 46,402	\$ 48,845	\$ 2,443	5.0 %	
Bank partner fees	23,686	22,981	(705)	(3.1)%	
Client claims and refunds	10,730	10,057	(673)	(6.7)%	
Employee and travel expenses	9,515	5,523	(3,992)	(72.3)%	
Technology-related expenses	26,373	23,425	(2,948)	(12.6)%	
Credit card/bank charges	30,770	27,906	(2,864)	(10.3)%	
Insurance	4,099	3,135	(964)	(30.7)%	
Legal fees and settlements	7,125	3,311	(3,814)	(115.2)%	
Supplies	14,243	14,551	308	2.1 %	
Other	9,315	9,812	497	5.1 %	
	\$ 182,258	\$ 169,546	\$ (12,712)	(7.5)%	

Employee and travel expenses increased \$4.0 million, or 72.3%, due to less travel in the prior year as a result of COVID-19 restrictions. Technology-related expenses increased \$2.9 million, or 12.6%, due to increased investments in information technology. Credit card and bank charges increased \$2.9 million, or 10.3%, due to higher Wave small business payment processing fees. Legal fees and settlements increased \$3.8 million, or 115.2%, due to higher fees attributable to certain pending litigation matters.

We recorded an income tax expense of \$186.9 million in the current year compared to \$69.5 million in the prior year. The effective tax rate for the three months ended March 31, 2022, and 2021 was 21.7% and 8.4%, respectively. The lower rate in prior year is a result of tax benefits recorded related to our net operating loss carrybacks to 35% tax years.

The U.S. federal tax filing deadline for 2021 individual income tax returns was April 18, 2022, the deadline for 2020 tax returns was May 17, 2021 and the deadline for 2019 tax returns was July 15, 2020. Therefore, the year-over-year periods are not directly comparable. Our business is highly seasonal and results for the three months ended March 31 may not be indicative of results for the entire tax season.

Consolidated - Financial Results		(in 000s, except per share amounts)			
Nine months ended March 31,	2022	2021	\$ Change	% Change	
Revenues:					
U.S. assisted tax preparation	\$ 1,456,594	\$ 1,532,079	\$ (75,485)	(4.9)%	
U.S. royalties	169,548	178,126	(8,578)	(4.8)%	
U.S. DIY tax preparation	188,455	234,871	(46,416)	(19.8)%	
International	151,464	148,282	3,182	2.1 %	
Refund Transfers	134,665	141,309	(6,644)	(4.7)%	
Emerald Card®	103,748	96,045	7,703	8.0 %	
Peace of Mind® Extended Service Plan	59,373	63,430	(4,057)	(6.4)%	
Tax Identity Shield®	19,431	22,446	(3,015)	(13.4)%	
Interest and fee income on Emerald Advance SM	43,438	52,812	(9,374)	(17.7)%	
Wave	58,745	44,656	14,089	31.6 %	
Other	27,736	28,819	(1,083)	(3.8)%	
Total revenues	2,413,197	2,542,875	(129,678)	(5.1)%	
Compensation and benefits:					
Field wages	561,482	568,593	7,111	1.3 %	
Other wages	200,715	204,817	4,102	2.0 %	
Benefits and other compensation	146,708	154,280	7,572	4.9 %	
	908,905	927,690	18,785	2.0 %	
Occupancy	306,523	309,638	3,115	1.0 %	
Marketing and advertising	223,796	214,091	(9,705)	(4.5)%	
Depreciation and amortization	107,462	117,036	9,574	8.2 %	
Bad debt	59,760	63,156	3,396	5.4 %	
Other	373,458	340,328	(33,130)	(9.7)%	
Total operating expenses	1,979,904	1,971,939	(7,965)	(0.4)%	
Other income (expense), net	1,989	3,491	(1,502)	(43.0)%	
Interest expense on borrowings	(69,661)	(78,657)	8,996	11.4 %	
Pretax income	365,621	495,770	(130,149)	(26.3)%	
Income taxes	29,666	50,997	21,331	41.8 %	
Net income from continuing operations	335,955	444,773	(108,818)	(24.5)%	
Net loss from discontinued operations	(4,984)	(4,533)	(451)	(9.9)%	
Net income	\$ 330,971	\$ 440,240	\$ (109,269)	(24.8)%	
DILUTED EARNINGS PER SHARE:					
Continuing operations	\$ 1.92	\$ 2.35	\$ (0.43)	(18.3)%	
Discontinued operations	(0.03)	(0.02)	(0.01)	(50.0)%	
Consolidated	\$ 1.89	\$ 2.33	\$ (0.44)	(18.9)%	
Adjusted diluted EPS ⁽¹⁾	\$ 2.11	\$ 2.56	\$ (0.45)	(17.6)%	
EBITDA ⁽¹⁾	\$ 542,744	\$ 691,463	\$ (148,719)	(21.5)%	

⁽¹⁾ All non-GAAP measures are results from continuing operations. See "Non-GAAP Financial Information" at the end of this item for a reconciliation of non-GAAP measures.

Nine months ended March 31, 2022 compared to March 31, 2021

Revenues decreased \$129.7 million, or 5.1%, from the prior year. The decrease in revenue is due to lower tax return volumes in the current year as the 2019 tax season was extended to July 15, 2020 in the prior year period, whereas the 2020 tax season deadline of May 17, 2021 did not extend into the nine month period ended March 31, 2022. This resulted in a decrease in U.S. tax preparation, royalty and Refund Transfer revenues.

Emerald Card® revenues increased \$7.7 million, or 8.0%, due to higher card activity which is a result of the IRS loading Child Tax Credits monthly to Emerald Cards® in July through December 2021. Interest and fees on Emerald Advances decreased \$9.4 million, or 17.7%, due to a decline in Emerald Advances. Wave revenues increased \$14.1 million, or 31.6%, due to higher small business payments processing volumes.

Total operating expenses increased \$8.0 million, or 0.4%, from the prior year period. Field wages decreased \$7.1 million, or 1.3%, due to lower tax preparation volumes in the current year as a result of the tax season extension in the prior year. Benefits and other compensation decreased \$7.6 million, or 4.9%, due to lower payroll taxes as a result of lower wages. Marketing and advertising expense increased \$9.7 million, or 4.5%, due to higher online advertising and agency fees in the current year. Depreciation and amortization expense decreased \$9.6 million, or 8.2%, due primarily to lower amortization of acquired intangibles.

Other expenses increased \$33.1 million, or 9.7%. The components of other expenses are as follows:

Nine months ended March 31,	(in 000s)			
	2022	2021	\$ Change	% Change
Consulting and outsourced services	\$ 99,870	\$ 91,888	\$ (7,982)	(8.7)%
Bank partner fees	26,344	21,916	(4,428)	(20.2)%
Client claims and refunds	22,945	20,930	(2,015)	(9.6)%
Employee and travel expenses	23,222	17,504	(5,718)	(32.7)%
Technology-related expenses	69,998	61,596	(8,402)	(13.6)%
Credit card/bank charges	63,441	53,788	(9,653)	(17.9)%
Insurance	11,780	9,359	(2,421)	(25.9)%
Legal fees and settlements	14,227	15,653	1,426	9.1 %
Supplies	22,161	26,463	4,302	16.3 %
Other	19,470	21,231	1,761	8.3 %
	\$ 373,458	\$ 340,328	\$ (33,130)	(9.7)%

Consulting and outsourced services expense increased \$8.0 million, or 8.7%, due to higher call center expenses and data processing fees related to higher activity on Emerald Cards®. Technology-related expenses increased \$8.4 million, or 13.6%, due to increased investments in information technology. Credit card and bank charges increased \$9.7 million, or 17.9%, due to higher Wave small business payment processing fees and fees related to Emerald Cards®.

Interest expense on borrowings decreased \$9.0 million, or 11.4%, primarily due to higher CLOC borrowings in the prior year.

We recorded an income tax expense of \$29.7 million in the current year compared to \$51.0 million in the prior year, the decrease is primarily related to lower pretax income in the current year. The effective tax rate for the nine months ended March 31, 2022, and 2021 was 8.1% and 10.3%, respectively. See [Item 1, note 7](#) to the consolidated financial statements for additional discussion.

FINANCIAL CONDITION

These comments should be read in conjunction with the consolidated balance sheets and consolidated statements of cash flows included in [Part 1, Item 1](#).

CAPITAL RESOURCES AND LIQUIDITY –

OVERVIEW – Our primary sources of capital and liquidity include cash from operations (including changes in working capital), draws on our CLOC, and issuances of debt. We use our sources of liquidity primarily to fund working capital, service and repay debt, pay dividends, repurchase shares of our common stock, and acquire businesses.

Our operations are highly seasonal and substantially all of our revenues and cash flow are generated during the period from February through April in a typical year. Therefore, we normally require the use of cash to fund losses and working capital needs, periodically resulting in a working capital deficit, during the months of May through

January. We typically have relied on available cash balances from the prior tax season and borrowings to meet liquidity needs.

Given the likely availability of a number of liquidity options discussed herein, we believe that, in the absence of any unexpected developments, our existing sources of capital as of March 31, 2022 are sufficient to meet our operating, investing and financing needs.

DISCUSSION OF CONSOLIDATED STATEMENTS OF CASH FLOWS – The following table summarizes our statements of cash flows for the nine months ended March 31, 2022 and 2021. See [Item 1](#) for the complete consolidated statements of cash flows for these periods.

Nine months ended March 31,	(in 000s)	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ 373,128	\$ 501,356
Investing activities	(71,106)	(50,014)
Financing activities	(707,466)	(2,356,266)
Effects of exchange rates on cash	(1,666)	10,370
Net decrease in cash, cash equivalents and restricted cash	\$ (407,110)	\$ (1,894,554)

Operating Activities. Cash provided by operations totaled \$373.1 million for the nine months ended March 31, 2022 compared to \$501.4 million in the prior year period. The change is primarily due to higher bonus and payroll tax payments and a decrease in net income in the current year, partially offset by the timing of receivables collections in the current year.

Investing Activities. Cash used in investing activities totaled \$71.1 million for the nine months ended March 31, 2022 compared to \$50.0 million in the prior year period. The change is primarily due to an increase in capital expenditures and payments to acquire businesses in the current year.

Financing Activities. Cash used in financing activities totaled \$707.5 million for the nine months ended March 31, 2022 compared to \$2.4 billion in the prior year period. The change is primarily due to the repayment of the \$2.0 billion draw on our CLOC in the prior year, partially offset by higher share repurchases in the current year.

CASH REQUIREMENTS –

Dividends and Share Repurchases. Returning capital to shareholders in the form of dividends and the repurchase of outstanding shares is, and has historically been, a significant component of our capital allocation plan.

We have consistently paid quarterly dividends. Dividends paid totaled \$143.4 million and \$147.9 million for the nine months ended March 31, 2022 and 2021, respectively. Although we have historically paid dividends and plan to continue to do so, there can be no assurances that circumstances will not change in the future that could affect our ability or decisions to pay dividends.

During the nine months ended March 31, 2022, we repurchased \$550.3 million of our common stock at an average price of \$23.84 per share. In the prior year period, we repurchased \$188.2 million of our common stock at an average price of \$16.29 per share. Our current share repurchase program has remaining authorization of \$13.8 million which is effective through June 2022.

Share repurchases may be effectuated through open market transactions, some of which may be effectuated under SEC Rule 10b5-1. The Company may cancel, suspend, or extend the period for the purchase of shares at any time. Any repurchases will be funded primarily through available cash and cash from operations. Although we may continue to repurchase shares, there is no assurance that we will purchase up to the full Board authorization.

Capital Investment. Capital expenditures totaled \$52.7 million and \$44.2 million for the nine months ended March 31, 2022 and 2021, respectively. Our capital expenditures relate primarily to recurring improvements to retail offices, as well as investments in computers, software and related assets. In addition to our capital expenditures, we also made payments to acquire businesses. We acquired franchisee and competitor businesses

totaling \$25.5 million and \$15.5 million during the nine months ended March 31, 2022 and 2021, respectively. See [Item 1, note 5](#) for additional information on our acquisitions.

FINANCING RESOURCES – The CLOC has capacity up to \$1.5 billion and is scheduled to expire in June 2026. Proceeds under the CLOC may be used for working capital needs or for other general corporate purposes. We had no outstanding balance under our CLOC and amounts available to borrow were limited by the debt-to-EBITDA covenant to approximately \$427.5 million as of March 31, 2022.

On April 1, 2022, we sent a notice of redemption to the trustee to fully redeem our outstanding 2022 Senior Notes originally due in November 2022. The redemption price is equal to 100% of the outstanding principal amount of the 2022 Senior Notes, plus accrued and unpaid interest up to, but not including, the redemption date. The 2022 Senior Notes were redeemed on May 2, 2022.

The following table provides ratings for debt issued by Block Financial LLC (Block Financial) as of March 31, 2022 and June 30, 2021:

As of	March 31, 2022			June 30, 2021		
	Short-term	Long-term	Outlook	Short-term	Long-term	Outlook
Moody's	P-3	Baa3	Stable	P-3	Baa3	Stable
S&P	A-2	BBB	Stable	A-2	BBB	Stable

Other than described above, there have been no material changes in our borrowings from those reported in our April 30, 2021 Annual Report to Shareholders on Form 10-K or our June 30, 2021 Transition Report filed on Form 10-Q.

CASH AND OTHER ASSETS – As of March 31, 2022, we held cash and cash equivalents, excluding restricted amounts, of \$1.0 billion, including \$131.8 million held by our foreign subsidiaries.

Foreign Operations. Seasonal borrowing needs of our Canadian operations are typically funded by our U.S. operations. To mitigate foreign currency risk, we sometimes enter into foreign exchange forward contracts. There were no forward contracts outstanding as of March 31, 2022.

We do not currently intend to repatriate non-borrowed funds held by our foreign subsidiaries in a manner that would trigger a material tax liability.

The impact of changes in foreign exchange rates during the period on our international cash balances resulted in a decrease of \$1.7 million during the nine months ended March 31, 2022 and in an increase of \$10.4 million during the nine months ended March 31, 2021.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS – Except as described in [Recent Developments](#) related to our amended PMA agreement with Meta, there have been no material changes in our contractual obligations and commercial commitments from those reported in our April 30, 2021 Annual Report to Shareholders on Form 10-K or our June 30, 2021 Transition Report filed on Form 10-Q.

SUMMARIZED GUARANTOR FINANCIAL STATEMENTS – Block Financial is a 100% owned subsidiary of H&R Block, Inc. Block Financial is the Issuer and H&R Block, Inc. is the full and unconditional Guarantor of our Senior Notes, CLOC and other indebtedness issued from time to time.

The following table presents summarized financial information for H&R Block, Inc. (Guarantor) and Block Financial (Issuer) on a combined basis after intercompany eliminations and excludes investments in and equity earnings in non-guarantor subsidiaries.

SUMMARIZED BALANCE SHEET - GUARANTOR AND ISSUER				(in 000s)
As of	March 31, 2022		June 30, 2021	
Current assets	\$	60,543	\$	50,737
Noncurrent assets		2,182,280		2,155,650
Current liabilities		583,051		81,388
Noncurrent liabilities		1,496,156		1,994,582

SUMMARIZED STATEMENTS OF OPERATIONS - GUARANTOR AND ISSUER		(in 000s)
	Nine months ended March 31, 2022	Two months ended June 30, 2021
Total revenues	\$ 169,944	\$ 22,978
Income from continuing operations before income taxes	39,127	2,504
Net income from continuing operations	34,745	2,953
Net income	29,760	1,444

The table above reflects \$2.1 billion of non-current intercompany receivables due to the Issuer from non-guarantor subsidiaries as of March 31, 2022 and June 30, 2021.

REGULATORY ENVIRONMENT

As previously disclosed, in 2017 the Consumer Financial Protection Bureau (CFPB) published its final rule regulating certain consumer credit products (Payday Rule), which the CFPB later limited by removing the mandatory underwriting provisions. Certain limited provisions of the Payday Rule became effective in 2018, but most provisions were scheduled to go into effect in 2019. Litigation in a federal district court in Texas had stayed that effective date, but on August 31, 2021 the judge in that litigation ruled in favor of the CFPB. The plaintiffs appealed, and, on October 14, 2021, the United States Court of Appeals for the Fifth Circuit extended the compliance deadline until after the appeal is resolved.

We are unsure whether, when, or in what form the Payday Rule will go into effect. Though we do not currently expect the Payday Rule to have a material adverse impact on Emerald AdvanceSM, our business, or our consolidated financial position, results of operations, and cash flows, we will continue to monitor and analyze the potential impact of any further developments on the Company.

There have been no other material changes in our regulatory environment from what was reported in our April 30, 2021 Annual Report to Shareholders on Form 10-K or our June 30, 2021 Transition Report filed on Form 10-Q.

NON-GAAP FINANCIAL INFORMATION

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Because these measures are not measures of financial performance under GAAP and are susceptible to varying calculations, they may not be comparable to similarly titled measures for other companies.

We consider our non-GAAP financial measures to be performance measures and a useful metric for management and investors to evaluate and compare the ongoing operating performance of our business. We make adjustments for certain non-GAAP financial measures related to amortization of intangibles from acquisitions and goodwill impairments. We may consider whether other significant items that arise in the future should be excluded from our non-GAAP financial measures.

We measure the performance of our business using a variety of metrics, including earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations, adjusted EBITDA from continuing operations, EBITDA margin from continuing operations, adjusted EBITDA margin from continuing operations, adjusted diluted earnings per share from continuing operations and free cash flow. We also use EBITDA from continuing operations and pretax income of continuing operations, each subject to permitted adjustments, as performance metrics in incentive compensation calculations for our employees.

The following is a reconciliation of net income to EBITDA from continuing operations, which is a non-GAAP financial measure:

	(in 000s)			
	Three months ended March 31,		Nine months ended March 31,	
	2022	2021	2022	2021
Net income - as reported	\$ 673,177	\$ 758,247	\$ 330,971	\$ 440,240
Discontinued operations, net	1,796	1,425	4,984	4,533
Net income from continuing operations - as reported	674,973	759,672	335,955	444,773
Add back:				
Income taxes	186,884	69,543	29,666	50,997
Interest expense	23,746	22,471	69,661	78,657
Depreciation and amortization	36,116	39,100	107,462	117,036
	246,746	131,114	206,789	246,690
EBITDA from continuing operations	\$ 921,719	\$ 890,786	\$ 542,744	\$ 691,463

The following is a reconciliation of our results from continuing operations to our adjusted results from continuing operations, which is a non-GAAP financial measure:

	(in 000s, except per share amounts)			
	Three months ended March 31,		Nine months ended March 31,	
	2022	2021	2022	2021
Net income from continuing operations - as reported	\$ 674,973	\$ 759,672	\$ 335,955	\$ 444,773
Adjustments:				
Amortization of intangibles related to acquisitions (pretax)	13,979	16,229	43,141	50,398
Tax effect of adjustments ⁽¹⁾	(4,545)	(11,699)	(10,102)	(11,467)
Adjusted net income from continuing operations	\$ 684,407	\$ 764,202	\$ 368,994	\$ 483,704
Diluted earnings per share from continuing operations - as reported	\$ 4.06	\$ 4.09	\$ 1.92	\$ 2.35
Adjustments, net of tax	0.05	0.02	0.19	0.21
Adjusted diluted earnings per share from continuing operations	\$ 4.11	\$ 4.11	\$ 2.11	\$ 2.56

⁽¹⁾Tax effect of adjustments is the difference between the tax provision calculated on a GAAP basis and on an adjusted non-GAAP basis.

FORWARD-LOOKING INFORMATION

This report and other documents filed with the SEC may contain forward-looking statements. In addition, our senior management may make forward-looking statements orally to analysts, investors, the media and others. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "commits," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could," "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, client trajectory, income, effective tax rate, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volumes or other financial items, descriptions of management's plans or objectives for future operations, services or products, or descriptions of assumptions underlying any of the above. They may also include the expected impact of the coronavirus (COVID-19) pandemic, including, without limitation, the impact on economic

and financial markets, the Company's capital resources and financial condition, future expenditures, potential regulatory actions, such as extensions of tax filing deadlines or other related relief, changes in consumer behaviors and modifications to the Company's operations relating thereto.

All forward-looking statements speak only as of the date they are made and reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, factors, or expectations, new information, data or methods, future events or other changes, except as required by law.

By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive, operational and regulatory factors, many of which are beyond the Company's control. In addition, factors that may cause the Company's actual effective tax rate to differ from estimates include the Company's actual results from operations compared to current estimates, future discrete items, changes in interpretations and assumptions the Company has made, future actions of the Company, and increases in applicable tax rates in jurisdictions where the Company operates. Investors should understand that it is not possible to predict or identify all such factors and, consequently, should not consider any such list to be a complete set of all potential risks or uncertainties.

Details about risks, uncertainties and assumptions that could affect various aspects of our business are included throughout our Annual Report on Form 10-K for the fiscal year ended April 30, 2021 and are also described from time to time in other filings with the SEC. Investors should carefully consider all of these risks, and should pay particular attention to Item 1A, "Risk Factors," and Item 7 under "Critical Accounting Policies" of our Annual Report on Form 10-K for the fiscal year ended April 30, 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risks from those reported in our April 30, 2021 Annual Report to Shareholders on Form 10-K or our June 30, 2021 Transition Report filed on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES – As of the end of the period covered by this Form 10-Q, management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING – There were no changes during the three months ended March 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, see discussion in [Part I, Item 1, note 9](#) to the consolidated financial statements.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those reported in our April 30, 2021 Annual Report to Shareholders on Form 10-K or our June 30, 2021 Transition Report filed on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

A summary of our purchases of H&R Block common stock during the three months ended March 31, 2022 is as follows:

	(in 000s, except per share amounts)			
	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
January 1 - January 31	4,566	\$ 22.14	4,566	\$ 138,342
February 1 - February 28	5,129	\$ 24.29	5,128	\$ 13,797
March 1 - March 31	—	\$ —	—	\$ 13,797
	9,695	\$ 23.28	9,694	

⁽¹⁾ We purchased approximately 1 thousand shares in connection with funding employee income tax withholding obligations arising upon the lapse of restrictions on restricted share units.

⁽²⁾ In September 2015, we announced that our Board of Directors approved a \$3.5 billion share repurchase program, effective through June 2019. In June 2019, our Board of Directors extended the share repurchase program through June 2022.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On May 9, 2022, the Compensation Committee of the Company's Board of Directors approved certain amendments to the Company's Executive Severance Plan (as amended and restated, the Plan) to provide for the same severance benefits that an eligible participant would currently receive under the Plan in the case of a "Qualifying Termination," but under circumstances constituting a "Good Reason Termination" outside of a change in control. The "Good Reason Termination" definition has also been updated to clarify that changes in the Company's policy regarding remote or hybrid work are not grounds for a "Good Reason Termination." All benefits and payments under the Plan remain subject to a participant's execution (and non-revocation) of a release of claims against the Company and other released parties.

The Company's named executive officers, other than Jeffrey J. Jones II, the Company's President and Chief Executive Officer, participate in the Executive Severance Plan. Mr. Jones would only participate in the Executive Severance Plan if and to the extent that the benefits related to equity awards thereunder exceeded those contained in his employment agreement.

The foregoing summary of the changes to the Plan is qualified in its entirety by reference to the full text of the Plan, a copy of which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

ITEM 6. EXHIBITS

The following exhibits are numbered in accordance with the Exhibit Table of Item 601 of Regulation S-K:

10.1	Executive Severance Plan, as approved on May 9, 2022
22	List of Guarantor and Issuer Subsidiaries, filed as Exhibit 22 to the Company's transition report on Form 10-Q for the two months ending June 30, 2021, file number 1-06089, is incorporated herein by reference.
31.1	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Extension Calculation Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

H&R BLOCK, INC.

/s/ Jeffrey J. Jones II

Jeffrey J. Jones II
President and Chief Executive Officer
May 10, 2022

/s/ Tony G. Bowen

Tony G. Bowen
Chief Financial Officer
May 10, 2022

/s/ Kellie J. Logerwell

Kellie J. Logerwell
Chief Accounting Officer
May 10, 2022

H&R BLOCK, INC. EXECUTIVE SEVERANCE PLAN

(Amended and Restated effective May 9, 2022)

Section 1. Preamble.

This amended and restated H&R Block, Inc. Executive Severance Plan was adopted by H&R Block, Inc., a Missouri corporation ("**HRB**") and is effective May 9, 2022 (as so amended and restated, the "**Plan**"). Except as provided herein, this Plan supersedes all prior agreements, arrangements or plans of the Company related to separation pay in the event of a Qualifying Termination, Good Reason Termination, or Change in Control Termination.

Section 2. Definitions.

For purposes of this Plan, the following terms shall have the meanings specified below unless the context clearly requires otherwise:

"**Affiliate**" shall have the meaning ascribed to such term in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended.

"**Base Compensation**" means a Participant's annual base salary plus Participant's annual target short-term incentive opportunity in effect at the time of a Participant's Termination Date, as approved by the Board or the Compensation Committee, as applicable.

"**Board**" means the Board of Directors of HRB.

"**Cause**" means any of the following unless, if capable of cure, such events are fully corrected in all material respects by Participant within ten (10) days after the Company provides notice of the occurrence of such event:

- (i) A Participant's misconduct that materially interferes with or materially prejudices the proper conduct of the business of the Company;
- (ii) A Participant's commission of an act materially and demonstrably detrimental to the good will of the Company;
- (iii) A Participant's commission of any act of dishonesty or breach of trust resulting or intending to result in material personal gain or enrichment of the Participant at the expense of the Company;
- (iv) A Participant's violation of any non-competition, non-solicitation, confidentiality or similar restrictive covenant under any employment-related agreement, plan or policy with respect to which the Participant is a party or is bound; or
- (v) A Participant's conviction of, or plea of guilty or nolo contendere to, a misdemeanor involving an act of moral turpitude or a felony.

If the Company does not give the Participant a termination notice within sixty (60) days after the Board or the Chairman of the Board has knowledge that an event constituting Cause has occurred, the event will no longer constitute Cause. The Company may place a Participant on unpaid leave for up to

thirty (30) consecutive days while it is determining whether there is a basis to terminate the Participant's employment for Cause. Such unpaid leave will not constitute Good Reason.

For purposes of this definition, any act or omission by the Participant based on authority given pursuant to a resolution duly adopted by the Board will be deemed made in good faith and in the best interests of the Company.

"Change in Control" means the occurrence of one or more of the following events:

- (i) Any one person, or more than one person acting as a group, acquires ownership of stock of HRB that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of HRB. If any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of HRB, the acquisition of additional stock by the same person or persons shall not be considered to cause a Change in Control. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which HRB acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this definition.
- (ii) Any one person, or more than one person acting as a group, acquires (when combined with all other acquisitions of HRB stock acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of HRB possessing 35 percent or more of the total voting power of the stock of HRB. If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of Treasury Regulation §1.409A-3(i)(5)(vi), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which HRB acquires its stock in exchange for property will not be treated as an acquisition of stock for purposes of this clause (ii), but will be treated as an acquisition of stock for purposes of clause (i) of this definition.
- (iii) A majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by two-thirds (2/3) of the members of the Board before the date of such appointment or election.
- (iv) Any one person, or more than one person acting as a group, acquires (when combined with all other acquisitions of HRB assets acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from HRB that have a total gross fair market value equal to or more than 50 percent of the total gross fair market value of all of the assets of HRB immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of HRB, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Notwithstanding the foregoing, there is no Change in Control event under this definition when there is a transfer to an entity that is controlled by the shareholders of HRB immediately after the transfer. A transfer of assets by HRB is not treated as a change in the ownership of such assets if the assets are transferred to: (a) a shareholder of HRB (immediately before the asset transfer) in exchange for or with respect to its stock; (b) an entity, 50 percent or more of the total value or voting power of which is owned, directly or indirectly, by HRB; (c) a person, or more than one person acting as a group, that owns, directly or indirectly, 50 percent or more of the total value or voting power of all the outstanding stock of HRB; or (d) an entity, at least 50 percent of the total value or voting power of which is owned, directly or indirectly, by a person described in (c) above.

For purposes of this definition of Change in Control, persons will be considered to be acting as a group in accordance with Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended, and Section 409A of the Code.

“Change in Control Termination” means a Participant’s Qualifying Termination or Good Reason Termination, in either event within seventy-five (75) days immediately preceding or within eighteen (18) months immediately following a Change in Control.

“COBRA Subsidy” means an amount equal to the Participant’s monthly post-employment premium for health and welfare benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (**“COBRA”**) less the amount paid from time to time by active employees for similar coverage.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” means HRB and its Affiliates.

“Comparable Position” means a position where:

- (i) the primary work location is within 50 miles of the Participant’s primary work location prior to the Qualifying Termination; and
- (ii) the Base Compensation is not more than 10% below the Participant’s compensation rate at the time of the Qualifying Termination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Good Reason Termination” means a Separation from Service:

- (i) which is initiated by the Participant on account of one or more of the following conditions:
 - (A) A material diminution in the Participant’s Base Compensation;
 - (B) A material diminution in the Participant’s authority, duties, or responsibilities;
 - (C) The Company’s change by more than 50 miles in the primary geographic location at which the Participant must perform the services; for clarification, any change in the Company’s policy regarding remote or hybrid work shall not constitute a material change under this clause (i)(C); or
 - (D) Any other action or inaction that constitutes a material breach by the Company of any written employment-related agreement between the Participant and the Company;
- (ii) for which the Participant does not consent to the condition referenced in (i) above; and
- (iii) for which the Company does not substantially remedy the condition (as described in this definition).

A Participant must provide notice to the Company of the existence of any of the foregoing conditions within thirty (30) days of the initial existence of the condition for which Participant will terminate employment; provided, however, that any notice relating to a condition that initially occurs before a Change in Control must be provided no later than ninety (90) days following the initial existence of the condition (it being understood that the relevant time period commences as of the date Participant knows or should reasonably have known of the existence of such condition). Participant must remain employed with the Company for at least thirty (30) days after providing such notice. During the thirty (30) days following receipt of the notice, the Company may substantially remedy the event, occurrence or condition for which notice was given, in which case a Good Reason Termination will not occur as a result of the condition and the Company will not be required to pay the amount.

“**HRB**” means H&R Block, Inc., a Missouri corporation.

“**Participant**” means an associate of the Company whose participation in the Plan is approved by the Compensation Committee of the Board (or other committee appointed by the Board to administer the Plan pursuant to Section 18).

“**Payment Deadline**” means the date which is sixty (60) days after the Termination Date.

“**Plan**” means this H&R Block, Inc. Executive Severance Plan, as amended from time to time. This document serves as both the legal plan document and summary plan description.

“**Plan Administrator**” and “**Plan Sponsor**” means H&R Block Management, LLC. The address and telephone number of H&R Block Management, LLC is One H&R Block Way, Kansas City, Missouri 64105, (816) 854-3000.

“**Qualifying Termination**” means the involuntary Separation from Service by the Company under circumstances not constituting Cause but does not include:

- (i) the elimination of the Participant’s position where the Participant was offered a Comparable Position with the Company or with a party that acquires any asset from the Company (or a subsidiary or an affiliate of such a party);
- (ii) the redefinition of a Participant’s position to a lower compensation rate or grade; or
- (iii) the Participant’s Separation from Service due to death or disability.

“**Release Agreement**” means the release agreement, substantially in the form set forth as Exhibit A to this Plan, which a Participant shall be required to execute as a condition to receiving payments and benefits under this Plan.

“**Separation from Service**” means the date that a Participant separates from service within the meaning of Section 409A of the Code and Treasury Regulation §1.409A-1(h).

“**Termination Date**” means the effective date of a Participant’s Separation from Service.

Section 3. Severance Benefits.

(a) If a Participant incurs a Qualifying Termination, Good Reason Termination, or Change in Control Termination and executes a Release Agreement and returns it to the Company by the deadline set forth in the Release Agreement, and provided the Participant does not revoke as permitted in the Release Agreement, Company agrees to provide the Participant with the following payments and benefits, subject to appropriate tax withholdings, to which the Participant would be entitled following the end of the seven (7) day revocation period, which shall be payable and provided in accordance with and subject to the terms of the Plan unless otherwise specified below:

(i) The Company shall pay the Participant as soon as reasonably feasible following the end of the seven (7) day revocation period, and in any event, no later than the Payment Deadline, a lump sum severance amount equal to:

(A) in the case of a Change in Control Termination, two (2) times Participant’s Base Compensation, and in the case of a Qualifying Termination or Good Reason Termination that is not a Change in Control Termination, one and one-half (1½) times Participant’s Base Compensation; plus

(B) an amount equal to the Participant’s COBRA Subsidy multiplied by twelve (12). To be eligible for a payment under this Section 3(a)(i)(B), the Participant must be enrolled in the Company’s applicable health, dental, or vision benefits on the date of the Separation from Service.

(ii) Subject to Section 13, the Company, at its expense, shall engage a professional outplacement assistance firm, selected at the Company's discretion, to provide reasonable outplacement assistance to the Participant for a period not to exceed fifteen (15) months following the Participant's Termination Date. In no event shall the Company be required to expend more than Fifteen Thousand Dollars (\$15,000) for such outplacement assistance for the Participant.

(iii) The Participant shall be entitled to a pro-rata award of any award payable under the Company's applicable short-term incentive plan (the "STI Plan") for the then-current fiscal year, based upon the Participant's actual performance and the attainment of goals established under the STI Plan as determined by the Board or the Compensation Committee, as applicable, in its sole discretion. Such pro-rata award shall be payable to the Participant at the time such awards are payable under the STI Plan. The pro-rata portion shall be based on the number of days preceding the Termination Date in the performance period during which the Termination Date occurs, divided by 365.

(b) A Participant who receives any payments and other benefits under this Section 3 shall not be eligible for any severance-related payments or benefits under any employment-related agreement or plan, policy or program of the Company. The payments and other benefits under this Section 3 shall offset any amounts due under the Worker Adjustment Retraining Notification Act of 1988 or any similar statute or regulation.

Section 4. Equity Awards.

Notwithstanding Section 3(b), nothing under this Plan supersedes or replaces any rights granted to a Participant under HRB's long-term incentive plans. Awards granted under HRB's long-term incentive plans shall be treated as provided in the applicable award agreement.

Section 5. Repayment; Clawback.

Notwithstanding any provision in this Plan to the contrary, if (i) the Company is required to restate any of its financial statements filed with the Securities and Exchange Commission, other than restatements due solely to factors external to the Company such as a change in accounting principles or a change in securities laws or regulations with retroactive effect or (ii) the Participant violates the provisions of any confidentiality, non-competition, non-solicitation or similar agreement or policy, then the Board may recover or require reimbursement of all severance, equity compensation awards (including profits from the sale of Company stock acquired pursuant to such awards) and/or other payments or benefits made to the Participant under this Plan. In exercising its discretion to recover or require reimbursement of any amounts as a result of any restatement pursuant to clause (i) above, the Board may consider, among other relevant factors, the level of the Participant's responsibility or influence, as well as the level of others' responsibility or influence, over the judgments or actions that gave rise to the restatement.

Section 6. Other Payments.

Upon any Separation from Service entitling the Participant to payments under this Plan, the Participant shall receive all accrued but unpaid salary and all benefits accrued and payable under any plans, policies and programs of the Company, except for benefits payable under any other severance plan, policy or arrangement of the Company.

Section 7. Enforcement.

If a Participant incurs any expenses associated with the successful enforcement of rights under this Plan by arbitration, litigation or other legal action, then the Company shall pay the Participant on demand of all reasonable expenses (including attorneys' fees and legal expenses) incurred by the Participant in enforcing such rights under this Plan. The Participant shall notify the Company of the expenses for which the Participant demands reimbursement within sixty (60) days after the Participant receives an invoice for such expenses, but in no case before a court, arbitrator, mediator or other judicial panel rules in favor of the Participant with respect to the dispute giving rise to such expenses, and the Company shall pay the reimbursement amount within fifteen (15) days after receipt of such notice, subject to Section 13. For purposes of clarity, the Company shall have no obligation to reimburse the

Participant for any expenses incurred by such Participant if any court, arbitrator, mediator or other judicial panel rules in favor of the Company with respect to the dispute giving rise to such expenses.

Section 8. No Mitigation.

A Participant shall not be required to mitigate the amount of any payment or benefit provided for in this Plan by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for herein be reduced by any compensation earned by other employment or otherwise.

Section 9. Nonexclusivity of Rights.

Nothing in this Plan shall prevent or limit a Participant's continued or future participation in or rights under any benefit, bonus, incentive or other plan or program provided by the Company and for which the Participant may qualify, except as provided in this Plan.

Section 10. No Set Off.

The Company's obligation to make the payments provided for in this Plan and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Participant or others.

Section 11. Taxation.

(a) To the extent applicable, this Plan shall be construed and administered consistently with Code Section 409A and the regulations and guidance issued thereunder ("**Section 409A**"). For purposes of determining whether any payment made pursuant to this Plan results in a "deferral of compensation" within the meaning of Treasury Regulation 1.409A-1(b), the Company shall maximize the exemptions described in such section, as applicable. Any reference to a "termination of employment" or similar term or phrase shall be interpreted as a "separation from service" within the meaning of Section 409A. If any deferred compensation payment is payable while a Participant is a "specified employee" under Section 409A, and payment is due because of Separation from Service for any reason other than death, then payment of such amount shall be delayed for a period of six months and paid in a lump sum on the first payroll payment date following the earlier of the expiration of such six-month period or the Participant's death. To the extent any payments under this Plan are made in installments, each installment shall be deemed a separate payment for purposes of Section 409A and the regulations issued thereunder. A Participant or the Participant's beneficiary, as applicable, shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on such Participant or beneficiary in connection with any payments to the Participant or beneficiary pursuant to this Plan, including but not limited to any taxes, interest and penalties under Section 409A, and the Company shall have no obligation to indemnify or otherwise hold a Participant or a Participant's beneficiary harmless from any and all of such taxes and penalties.

(b) All payments and other benefits received by the Participant under this Plan shall be subject to all requirements of the law with regard to tax withholding and reporting and filing requirements, and the Company shall use its best efforts to satisfy promptly all such requirements.

Section 12. Section 280G Change in Control Payment.

(a) In the event that it is determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of a Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise (the "**Change in Control Payment**"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, then the Company shall pay to the Participant whichever of the following gives the Participant the highest net after-tax amount (after taking into account all applicable federal, state, local and security taxes): (1) the Change in Control Payment, or (2) the amount that would not result in the imposition of excise tax on the Participant under Code Section 4999. Any required

reduction in the Change in Control Payment pursuant to the foregoing shall be accomplished solely by reducing the lump sum severance payment payable pursuant to Section 3(a)(i) of this Plan.

(b) All determinations to be made under this Section 12 shall be made by an independent registered public accounting firm selected by the Company immediately prior to the Change in Control (the “**Accounting Firm**”), which shall provide its determinations and any supporting calculations both to the Company and the Participant within ten (10) days of the Change in Control. Any such determination by the Accounting Firm shall be binding upon the Company and the Participant. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 12 shall be borne solely by the Company.

Section 13. Reimbursements.

Any reimbursements or in-kind benefits to be provided pursuant to this Plan (including, but not limited to under Section 3(a)(ii)) that are taxable to the Participant shall be subject to the following restrictions: (a) each reimbursement must be paid no later than the last day of the calendar year following the calendar year during which the expense was incurred or tax was remitted, as the case may be; (b) the amount of expenses or taxes eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses or taxes eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (c) the period during which any reimbursement may be paid or in-kind benefit may be provided shall end ten (10) years after termination of this Plan; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Section 14. Term.

This Plan was initially effective May 12, 2009. This amended and restated Plan is effective as of May 9, 2022 and shall continue with respect to a Participant until the earliest of: (a) the Participant’s Separation from Service, or (b) the date the Participant enters into a written separation agreement with the Company.

Section 15. Successor Company.

The Company shall require any successor or successors (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company to acknowledge expressly that this Plan is binding upon and enforceable against the Company in accordance with the terms hereof, and to become jointly and severally obligated with the Company to perform this Plan in the same manner and to the same extent that the Company would be required to perform if no such succession or successions had taken place.

Section 16. Notice.

All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be delivered personally or mailed by registered or certified mail, return receipt requested, or by overnight express courier service, as follows:

If to the Company, to:

H&R Block, Inc.
One H&R Block Way
Kansas City, MO 64105
Attention: Corporate Secretary

If to the Participant, to the most recent address provided by the Participant to the Company for payroll purposes, or to such other address as the Company or the Participant, as the case may be, shall designate by notice to the other party hereto in the manner specified in this Section 16; provided, however, that if no such notice is given by the Company following a Change in Control, notice at the last address of the Company or any successor shall be deemed sufficient for the purposes hereof. Any such notice shall be deemed delivered and effective when received in the case of personal delivery, five (5)

days after deposit, postage prepaid, with the U.S. Postal Service in the case of registered or certified mail, or on the next business day in the case of overnight express courier service.

Section 17. Amendment.

This Plan may be amended at any time by the Board with respect to all or some of the Participants, provided that any such amendment may not decrease or restrict a Participant's rights under this Plan without such Participant's consent.

Section 18. Administration.

The Plan shall be administered by the Board or by a committee of two or more members of the Board of Directors appointed by the Board which shall have the exclusive discretion and authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to decide or resolve any and all questions that may arise in connection with the Plan. To the extent the Board appoints a committee, any reference herein regarding the Board's administration of the Plan shall be construed to apply to such committee. As of the date this amendment and restatement is effective, the Board hereby appoints the compensation committee of the Board of Directors as administrators of the Plan (the "**Compensation Committee**").

Any decision or action of the Board with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan. In the administration of this Plan, the Board (or its appointed committee) may employ agents and delegate to them such administrative duties as the Board deems appropriate (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to the Company. The Company may pay a Participant cash in lieu of the outplacement assistance described in Section 3(a)(ii), if determined to be desirable under the circumstances by the Company's Chief Executive Officer, or, in the event the Chief Executive Officer is receiving the benefits, the Compensation Committee.

Except with respect to officers who are designated as executive officers by the Company's Board of Directors under Section 16 of the Securities Act of 1934, the Board (or its appointed committee) may delegate to one or more executive officers the authority, duties and responsibilities relating to the Company's rights to prevent, enforce or remedy affirmative or restrictive covenants contained either in this Plan or in a Participant's Release Agreement, including the authority for such executive officer(s) to further delegate such authority, duties and responsibilities to any other individual or entity, whether or not such person or entity is employed by, an officer of, or affiliated with the Company.

Section 19. No Right to Continued Employment.

Nothing in this Plan shall be construed as giving the Participant any right to be retained in the employ of the Company.

Section 20. Governing Law.

This Plan shall be governed by and interpreted under the laws of the State of Missouri without giving effect to any conflict of laws provisions. Any legal action or proceeding with respect with this Plan shall be brought exclusively in the courts of the State of Missouri without regard to any conflicts of law.

Section 21. Successors and Assigns.

All of the terms and provisions of this Plan shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of the Participant and the Company hereunder shall not be assignable in whole or in part.

Section 22. Severability.

If any provision of this Plan or application thereof to anyone or under any circumstances shall be determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions or applications of this Plan which can be given effect without the invalid or unenforceable provision or application.

Section 23. Remedies Cumulative; No Waiver.

No right conferred upon the Participant by this Plan is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission by the Participant in exercising any right, remedy or power hereunder or existing at law or in equity shall be construed as a waiver thereof.

Section 24. Headings.

The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

Section 25. Statement of ERISA Rights and Claims Procedures.

A statement of ERISA rights and the claims procedures are set forth in Appendix A, attached to this Plan.

IN WITNESS WHEREOF, the Company has executed this Plan this May 9, 2022. The H&R Block Executive Severance Plan was initially adopted by HRB effective as of May 12, 2009. This amendment and restatement is effective May 9, 2022.

H&R BLOCK, INC.

By: /s/ Tiffany S. Monroe
Tiffany S. Monroe

Title: Chief People and Culture Officer

APPENDIX A

STATEMENT OF ERISA RIGHTS AND CLAIMS PROCEDURES

Section 1. Statement of ERISA Rights.

In accordance with ERISA, each Participant shall be entitled to:

- (a) Examine, without charge (by contacting the Plan Administrator) all Plan documents and copies of all documents governing the Plan and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. A reasonable fee may be charged for these copies;
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required to furnish each Participant with a copy of this summary annual report; and
- (d) Obtain a statement showing the Participant's account balance (if any).

In addition to creating rights for Plan Participants, ERISA imposes duties upon the persons who are responsible for the operation of the Plan. The persons who operate the Plan are called "fiduciaries" and have a duty to operate the Plan prudently and in the interest of Plan Participants and beneficiaries. No one, including the employer, may fire a Participant or otherwise discriminate against the Participant in any way to prevent the Participant from obtaining a benefit or exercising rights under ERISA. If a claim for a benefit is denied in whole or in part the Participant must receive a written explanation of the reason for the denial. The Participant has the right to have the Plan Administrator review and reconsider the claim.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests any of the materials listed above from the Plan Administrator and does not receive them within 30 days, the Participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay up to \$110 a day until the Participant receives the materials, unless the materials were not provided because of reasons beyond the control of the Plan Administrator.

If a claim for benefits is denied or ignored, either in whole or in part, the Participant may file suit in a state or federal court. In the event that Plan fiduciaries misuse the Plan's funds, or if the Participant is discriminated against for asserting the Participant's rights, the Participant may seek assistance from the U.S. Department of Labor, or file suit in a federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful the court may order the person have sued to pay these costs and fees. But if the Participant loses, the court may order the Participant to pay these costs and fees if, for example, it finds the claim is frivolous.

Any questions concerning the Plan should be directed to the Plan Administrator. Additional information about this statement or a Participant's rights under ERISA may be obtained from the nearest Office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Section 2. Claims Procedures.

Any Participant may deliver to the Board a written claim for a determination with respect to the amounts distributable to such Participant from the Plan. If such a claim relates to the contents of a notice received by the Participant, the claim must be made within sixty (60) days after such notice was received

by the Participant. The claim must state with particularity the determination desired by the Participant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred.

The Board shall consider a Participant's claim within seventy-five (75) days (unless special circumstances require additional time), and shall notify the Participant in writing: (i) that the Participant's requested determination has been made, and that the claim has been allowed in full; or (ii) that the Board has reached a conclusion contrary, in whole or in part, to the Participant's requested determination. Such notice must set forth in a manner calculated to be understood by the Participant and include the following information:

- (a) the specific reason(s) for the denial of the claim, or any part of it;
- (b) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
- (c) a description of any additional material or information necessary for the Participant to perfect the claim, and an explanation of why such material or information is necessary; and
- (d) an explanation of the claim review procedure set forth below.

Within sixty (60) days after receiving a notice from the Board that a claim has been denied, in whole or in part, a Participant (or the Participant's duly authorized representative) may file with the Board a written request for a review of the denial of the claim. Thereafter, but not later than thirty (30) days after the review procedure began, the Participant (or the Participant's duly authorized representative):

- (i) may review pertinent documents;
- (ii) may submit written comments or other documents; and/or
- (iii) may request a hearing, which the Board, in its sole discretion, may grant.

The Board shall render its decision on review promptly, and not later than sixty (60) days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Board's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Participant, and in the case of an adverse determination, it must contain:

- (x) specific reasons for the decision;
- (y) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and
- (z) such other matters as the Board deems relevant.

A Participant's compliance with the foregoing provisions of this Section 2 is a mandatory prerequisite to a Participant's right to commence any legal action with respect to any claim for benefits under this Plan. Service of legal process shall be made to: H&R Block Management, LLC, Attention: General Counsel, One H&R Block Way, Kansas City, Missouri 64105.

EXHIBIT A

SEVERANCE AND RELEASE AGREEMENT

[EMPLOYEE] ("**Employee**") and [EMPLOYING ENTITY], its parents, subsidiaries, affiliates, and assigns (collectively, "**Company**") enter into this Severance and Release Agreement ("**Release Agreement**") under the terms and conditions recited below.

I. Recitations

A. Employee is currently employed as [TITLE]. Due to changing business needs, Employee has been notified and Employee has agreed that Employee's employment will end on [TERM DATE] (the "**Termination Date**").

B. Employee and Company wish to enter into a full and final settlement of all issues and matters that exist between them, which include, but are not limited to, any issues and matters that may have arisen out of Employee's employment with or separation from Company.

C. Employee specifically acknowledges that Company has advised Employee to seek Employee's own personal legal counsel prior to signing this Release Agreement.

D. In exchange for the mutual promises of Employee and Company set forth in this Release Agreement, Employee and Company agree to the terms and conditions set forth below.

II. Basic Terms of the Release Agreement

A. The parties agree to treat Employee's separation from employment as **[a Change in Control Termination] OR [a Qualifying Termination / Good Reason Termination, but not a Change in Control Termination]**, as defined in the H&R Block, Inc. Executive Severance Plan applicable to Employee (the "**Plan**"), a copy of which is attached to this Release Agreement as Exhibit A. Accordingly, following the Company's receipt of a fully executed copy of this Release Agreement, and provided that Employee does not revoke as permitted in section III(A) below, Company agrees to provide Employee with the following payments and benefits to which Employee would be entitled, subject to appropriate tax withholdings and post lapse of the seven-day revocation period, which shall be payable and provided in accordance with and subject to the terms of the Plan unless otherwise specified below:

1. *Severance Payment.* As soon as reasonably feasible following the end of the seven (7)-day revocation period and in any event no later than sixty (60) days following the Termination Date (the "**Payment Deadline**"), Company will pay Employee a lump sum payment in the amount of **[\$insert amount]**, less applicable tax withholdings. This severance payment consists of the sum of the following components:

[For Change in Control Termination:]

- (a) Two (2) times Employee's Base Compensation, which is equal to **[\$insert amount]**; and

[For Qualifying Termination or Good Reason Termination that is not a Change in Control Termination:]

- (a) One and one-half (1½) times Employee's Base Compensation, which is equal to **[\$insert amount]**; and

[For Change in Control Termination, Qualifying Termination, or Good Reason Termination:]

(b) A COBRA subsidy equal to the Company's regular monthly premium, if any, paid toward the Employee's health and welfare benefits as of Employee's last day worked multiplied by twelve (12) months, which is equal to **\$(insert amount)**.

2. *Outplacement Services.* Company will pay directly to a professional outplacement assistance firm, selected at the Company's discretion, to obtain reasonable outplacement assistance to be provided to Employee until the earlier to occur of (a) the date Employee obtains other employment; or (b) fifteen (15) months following the Termination Date. In no event shall the Company be required to expend more than Fifteen Thousand Dollars (\$15,000) for such outplacement assistance for the Participant.

3. *Short-Term Incentive Payment.* Company will pay Employee a pro-rata award of any award payable under any applicable STI Plan for fiscal year **[insert applicable year]** based upon Employee's actual performance and the Company's attainment of goals established under the STI Plan as determined by the Compensation Committee of the H&R Block, Inc. Board of Directors in its sole discretion. Such pro-rata award, if any, shall be payable less applicable tax withholdings and in accordance with the Company's short-term incentive process and subject to the terms and conditions of any applicable STI Plan. Company will pay Employee any short-term incentive award due to Employee at the time such awards are generally payable under the applicable STI Plan to other participants.

4. *Equity-Based Awards.* Any outstanding equity-based awards, including any stock options, restricted share units, performance share units, and market stock units, granted to Employee shall be treated as provided in the applicable award agreement. A list of the awards outstanding as of the Termination Date and that shall be forfeited on the Termination Date is attached as Exhibit B.

B. Employee agrees to the following:

1. *Release of Claims.* Employee agrees to and hereby does release and forever discharge Company, and each and every one of its component, predecessor and successor companies, and their respective past and present agents, officers, executives, employees, attorneys, and directors (collectively the "**Released Parties**") from any and all matters, claims, charges, demands, damages, causes of action, debts, liabilities, controversies, claims for attorneys' fees, judgments, and suits of every kind and nature whatsoever, foreseen or unforeseen, known or unknown, which have arisen between Employee and the Released Parties up to the date Employee signs this Release Agreement, all as more fully set forth in sections IV(A) through (E) below.

2. *Confidential Information.* Employee agrees that Employee will not, without the prior written consent of Company, directly or indirectly use for the benefit of any person or entity other than Company, or make known, divulge or communicate to any person, firm, corporation or other entity, any confidential or proprietary information, knowledge or trade secrets acquired, developed or learned of by Employee during Employee's employment with Company. Employee shall not retain after the Termination Date, any document, record, paper, disk, tape or compilation of information relating to any such confidential information.

3. *Return of Company Property.* Employee shall return to Company by the Termination Date, any and all things in Employee's possession or control relating to Company, including but not limited to any equipment issued to Employee, all correspondence, reports, contracts, financial or budget information, personnel or labor relations files, office keys, manuals, and all similar materials not specifically listed here. Employee further agrees that as of the Termination Date Employee will have no outstanding balance on Employee's corporate credit card for which appropriate travel and expense accounting has not been submitted.

4. *Legal Hold.* To the extent Employee has received a Preservation Notice/Legal Hold from the Legal Department, Employee shall take all necessary steps to preserve information related in any way to the Preservation Notice/Legal Hold in its original format and location and will not modify, delete or destroy such information. Employee will notify the Legal Department of the nature and location of any and all such information.

5. *Confidentiality & Restrictive Covenant Agreement.* Employee acknowledges that Employee entered into a Confidentiality & Restrictive Covenant Agreement with the Company (the “**Confidentiality Agreement**”), which is attached as Exhibit C. Employee agrees that Employee is bound by the provisions of the Confidentiality Agreement and will continue, after the Termination Date, to abide by the terms of the Confidentiality Agreement.

6. *Non-disparagement.* Employee agrees that Employee will not disparage Company or make or solicit any comments to the media or others that may be considered derogatory or detrimental to the good business name or reputation of Company.

7. *Employee Availability/Cooperation.* Employee agrees to be reasonably available to the Company to respond to requests for information pertaining to or relating to the Company, or any predecessor and successor companies, or their respective past and present agents, officers, executives, employees, attorneys, directors, and assigns. Employee also agrees to reasonably assist and cooperate with the Company (and its outside counsel) in connection with the defense or prosecution of any claim that may be made or threatened against or by the Company, or in connection with any ongoing or future investigation or dispute or claim of any kind involving the Company, including any proceeding before any arbitral, administrative, judicial, legislative, or other body or agency, including preparing for and testifying in any proceeding to the extent such claims, investigations or proceedings relate to services performed or required to be performed by Employee, pertinent knowledge possessed by Employee, or any act or omission by Employee. Employee will perform all acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this section. Upon presentment to the Company of appropriate documentation, the Company will pay directly or reimburse Employee for the reasonable out-of-pocket expenses incurred as a result of such cooperation.

8. *Resignation.* Employee agrees that, upon the Termination Date, Employee resigns from all offices, directorships, trusteeships, committee memberships, and fiduciary capacities held with, or on behalf of, the Company, and any benefit plans of the Company. Employee will execute the resignations attached as Exhibit D contemporaneously with execution of this Release Agreement, and agrees to reasonably cooperate with the Company to execute any additional resignations that the Company may determine to be required upon its further review of applicable requirements to which it is subject.

III. Acknowledgments and Additional Terms

A. *Consideration/Revocation Period.* Employee shall have twenty-one (21) days following receipt of this Release Agreement to consider whether or not to sign this Release Agreement. Employee acknowledges that Employee may revoke acceptance of the terms and conditions of this Release Agreement at any time within seven (7) calendar days after the day on which Employee originally returned the signed copy of the Release Agreement to the Company. Such revocation, to be effective, must be delivered by written notice, in a manner so the notice is received on or before the seventh day by: General Counsel, H&R Block, Inc., One H&R Block Way, Kansas City, MO 64105. In the event Employee does not return an executed copy of this Release Agreement to the Company within the twenty-one (21) day period, or Employee revokes acceptance of the terms and conditions of this Release Agreement within the seven (7) day period following execution of this Release Agreement, Employee will not be entitled to any of the payments or benefits provided under section II(A).

B. *Opportunity to Consult Personal Attorney.* Employee acknowledges that Company has advised Employee to seek Employee’s own legal counsel prior to signing this Release Agreement and that Employee has consulted or has had the opportunity to consult with Employee’s personal attorney prior to executing this Release Agreement.

C. *No Admission of Liability.* Employee and Company agree that nothing in this Release Agreement is an admission by either of any wrongdoing, and that nothing in this Release Agreement is to be construed as such by anyone.

D. *Consideration.* Employee agrees that provision of the payments and benefits set forth in section II(A) and the Plan constitute payments and benefits to which Employee is not otherwise entitled

and constitutes valuable consideration for the promises and representations made by Employee in this Release Agreement.

E. *Choice of Law.* All disputes which arise out of the interpretation and enforcement of this Release Agreement shall be governed by the laws of the State of Missouri without giving effect to its choice of law provisions.

F. *Entire Agreement.* This Release Agreement, including Exhibits B through D attached hereto, constitutes the entire agreement between the parties related to the subject matters set forth in this Release Agreement. The parties acknowledge the terms of the Plan can be terminated or changed according to the terms set forth in the Plan. The parties acknowledge the terms of this Release Agreement can only be changed by a written amendment to the Release Agreement signed by both parties.

G. *No Reliance.* The parties have not relied on any representations, promises, or agreements of any kind made to them in connection with this Release Agreement, except for those set forth in writing in this Release Agreement or in the Plan.

H. *Separate Signatures.* Separate copies of this Release Agreement shall constitute originals which may be signed separately but which together will constitute one single agreement.

I. *Effective Date.* This Release Agreement becomes effective and binding on the eighth calendar day following Employee's execution of the Release Agreement pursuant to section III(A).

J. *Severability.* If any provision of this Release Agreement, including the Plan, is held to be invalid, the remaining provisions shall remain in full force and effect. In addition, if a court of competent jurisdiction determines the restrictions contained in the Confidentiality Agreement attached as Exhibit C to be invalid, illegal, or otherwise unenforceable or unreasonable in scope, the validity, legality, and enforceability of the other provisions of this Release Agreement shall not be affected thereby. Any such restriction(s) in the Confidentiality Agreement determined by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable or unreasonable will be considered by the Company and Employee to be amended as to the scope of protection, time and geographic area in whatever manner, if any, is considered reasonable by that court and, as so amended, will be enforced.

K. *Continuing Obligations.* Any continuing obligations Employee has after separation of employment pursuant to any written agreement with Company, the Plan, or by operation of law are intended to survive this Release Agreement. The terms of this Release Agreement add to any such obligations and are not intended to otherwise modify them in any way.

L. *Compensation, Injuries, Leave, Ethics.* Employee acknowledges that: (1) upon receipt of a final paycheck, Employee has received all compensation due through the Termination Date as a result of services performed for Company, except as otherwise provided in this Release Agreement; (2) Employee has reported to Company any and all work-related injuries incurred during employment; (3) Company properly provided any requested leave of absence because of Employee's or a family member's health condition and Employee has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; and (4) Employee has provided the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of Company.

M. *409A Representations.* Company has made a good faith effort to comply with current guidance under Section 409A of the Internal Revenue Code. Notwithstanding the foregoing or any provision in this Release Agreement to the contrary, Company does not warrant or promise compliance with Section 409A, and Employee understands and agrees that Employee shall not have any claim against Company with respect to Section 409A or for any good faith effort taken to comply with Section 409A.

IV. Release

A. In consideration of the recitations and agreements listed above, Employee releases, and forever discharges Company and each and every one of its component, predecessor, and successor

companies, and their respective past and present agents, officers, executives, employees, attorneys, and directors (collectively the “**Released Parties**”), from any and all matters, claims, charges, demands, damages, causes of action, debts, liabilities, controversies, claims for attorneys’ fees, judgments, and suits of every kind and nature whatsoever, foreseen or unforeseen, known or unknown, which have arisen between Employee and the Released Parties up to the date Employee signs this Release Agreement.

B. This release of claims includes, but is not limited to: (1) any claims Employee may have relating to any aspect of Employee’s employment with the Released Parties and/or the separation of that employment; (2) any breach of an actual or implied contract of employment between Employee and the Released Parties; (3) any claim of unjust or tortious discharge; (4) any common law claim (including but not limited to fraud, negligence, intentional or negligent infliction of emotional distress, negligent hiring/retention/supervision, or defamation); (5) any claims arising under (i) the Civil Rights Act of 1866, 42 U.S.C. § 1981, (ii) the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e, et seq., as amended by the Civil Rights Act of 1991, (iii) the Age Discrimination in Employment Act (the “**ADEA**”), 29 U.S.C. §§ 621, et seq. (including but not limited to the Older Worker Benefit Protection Act (the “**OWBPA**”)), (iv) the Employee Retirement Income Security Act (“**ERISA**”), 29 U.S.C. §§ 1001, et seq., (v) the Rehabilitation Act of 1973, 29 U.S.C. §§ 701, et seq., (vi) the American with Disabilities Act, 42 U.S.C. §§ 12101, et seq., (vii) the Occupational Safety and Health Act, 29 U.S.C. §§ 651, et seq., and (viii) the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, et seq.; (6) any applicable state or local employment discrimination statute or ordinance; and (7) any other federal, state, or local statutes or ordinances.

C. Employee represents and warrants that, as of the date Employee signs this Release Agreement, Employee has not filed or commenced any suit, claim, charge, complaint, or other legal proceeding of any kind against the Released Parties.

D. The above release does not waive claims: (1) for unemployment or workers’ compensation; (2) for vested rights under ERISA-covered employee benefit plans as applicable on the date Employee signs this Release Agreement; (3) that may arise after Employee signs this Release Agreement; or (4) which cannot be released by private agreement.

E. Employee agrees that Employee waives any right to participate in any settlement, verdict or judgment in any class, collective or multi-party action against the Released Parties arising from conduct occurring on or before the date Employee signs this Release Agreement, and that Employee waives any right to accept anything of value or any injunctive relief associated with any such pending or threatened class, collective or multi-party action against the Released Parties.

V. No Interference with Rights

Nothing in this Release Agreement or any Confidentiality & Restrictive Covenant Agreement, including but not limited to, the release of claims, confidential information, return of property, non-solicitation of employees, non-solicitation of customers, non-competition, non-disparagement, availability/cooperation, agreement to arbitrate and acknowledgement provisions, (1) limits or affects Employee’s right to challenge the validity of this Release Agreement under the ADEA or the OWBPA; (2) prevents Employee from filing a charge or complaint with, or from participating in an investigation or proceeding conducted by, the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information; or (3) prevents Employee from exercising rights under Section 7 of the National Labor Relations Act to engage in joint activity with other employees, although by signing this release Employee is waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, lawsuit, or other proceeding brought by Employee or on Employee’s behalf by any third-party, except for any right Employee may have to receive a payment from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited. Notwithstanding Employee’s confidentiality and non-disclosure obligations in this Release Agreement and otherwise, Employee understands that as provided by the Federal Defend Trade Secrets Act, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure

of a trade secret made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

THIS IS A RELEASE OF CLAIMS - READ CAREFULLY BEFORE SIGNING

I have read this Severance and Release Agreement. Company advised me to seek the advice of counsel regarding the meaning and effect of this Release Agreement, and I have had the opportunity to do so. I fully understand the terms of this Release Agreement and I understand it is a complete and final release of any of my claims against the Released Parties (as defined in this Release Agreement). I sign this Release Agreement as my own free act and deed.

[EMPLOYEE NAME]

Date: _____

[EMPLOYING ENTITY]

By:
Title:
Date: _____

EXHIBIT A

H&R BLOCK, INC. EXECUTIVE SEVERANCE PLAN

EXHIBIT B

EQUITY AWARDS SUMMARY

EXHIBIT C

CONFIDENTIALITY & RESTRICTIVE COVENANT AGREEMENT

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey J. Jones II, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of H&R Block, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2022

/s/ Jeffrey J. Jones II
Jeffrey J. Jones II
Chief Executive Officer
H&R Block, Inc.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tony G. Bowen, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of H&R Block, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2022

/s/ Tony G. Bowen

Tony G. Bowen
Chief Financial Officer
H&R Block, Inc.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of H&R Block, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey J. Jones II, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey J. Jones II

Jeffrey J. Jones II
Chief Executive Officer
H&R Block, Inc.
May 10, 2022

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of H&R Block, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony G. Bowen, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tony G. Bowen

Tony G. Bowen
Chief Financial Officer
H&R Block, Inc.
May 10, 2022